

INNOVATION IN HOUSING

Innovation is a core value at the Iowa Finance Authority as we continually look to turn new ideas in housing and finance into reality. For the 2024 Allocation Round, IFA is creating a new Innovation Set-Aside. The Innovation Set-Aside is an opportunity to demonstrate innovations and advance affordable housing in a way that may not always be possible in the 9% Tax Credit round. The most competitive projects in this set-aside will have multiple innovations and support the Iowa Low-Income Housing Tax Credit (LIHTC) Program mission and goals that include partnerships, affordability, durability and location.

One project may be selected to apply under the Innovation Set-Aside for the 2024 LIHTC Allocation Round. If the selected project meets program requirements, the project may receive up to \$1 million in federal LIHTC. Interested applicants must submit a pre-application. IFA will review pre-applications and identify finalists to present on their concept at the 2023 HousingIowa Conference. IFA will announce the selected applicant at the HousingIowa Conference.

TYPES OF INNOVATION

Innovations may include, but are not limited to the following:

- Construction or Durability
- Building Costs or Operational Costs
- Energy Efficiency
- Financing Structure
- Target Population/Purpose
- Operations
- Developer – Program for Women and Minority Capacity Building
- Partnerships

INNOVATION PRE-APPLICATION REVIEW AND SELECTION

1. All applicants interested in participating in the Innovation Set-Aside during the 2024 allocation year must submit a completed pre-application.
2. The pre-application will be available in the Iowa Finance Authority TAC system beginning June 1, 2023.
3. The deadline for submission of the pre-application is **July 17, 2023, at 4:30 pm CST**. Late submissions will not be accepted.
4. The IFA team will review all innovation pre-applications for completeness, preliminary feasibility, purpose, and impact for the residents, community, or industry. The pre-application does not require location, site control, financing, architecture, costs and proforma, or full qualified development team.
5. The IFA team will select up to six finalists to present at the Innovation Set-Aside competition for the opportunity to submit a 2024 LIHTC Innovation Set-Aside full application. IFA reserves the right to select no finalists.





INNOVATION SET-ASIDE APPLICATION REQUIREMENTS

6. All applicants will be notified of the selected finalists for the Innovation Set-Aside competition by email no later than August 1, 2023. Finalists must accept the opportunity to compete in the Innovation Set-Aside competition by August 8, 2023. Finalists must make an in-person presentation at the 2023 Housing Iowa Conference that will be open to conference attendees.
 7. A review panel will assess the Innovation Set-Aside finalist pre-applications and presentations. The review panel may be comprised of IFA staff, IEDA staff, and industry professionals in such fields as architecture, energy, construction, finance, health and human services, housing policy, and supportive services. Finalists should be prepared to answer questions from the panel and conference attendees.
 8. Following the presentations, the review panel may recommend up to one finalist to submit an application for the 2024 LIHTC Innovation Set-Aside. IFA may accept the review panel's recommendation. IFA reserves the right to not select any finalists for the 2024 LIHTC Innovation Set-Aside. IFA will announce which finalist, if any, is eligible to submit an application for the 2024 LIHTC Innovation Set-Aside.
- The finalist selected to submit an application for the 2024 LIHTC Innovation Set-Aside, if any, will be the only eligible applicant for the 2024 LIHTC Innovation Set-Aside.
 - IFA may award up to \$1,000,000 in LIHTC to no more than one project that applies for the Innovation Set-Aside.
 - IFA reserves the right to not make an award in the Innovation Set-Aside. If no Innovation Set-Aside award is made, the \$1,000,000 in Tax Credits will be awarded in the General Set-Aside.
 - The project described in the 2024 LIHTC Innovation Set-Aside application must be materially consistent with the project presented at the 2023 Housing Iowa Conference and in the pre-application. IFA has the sole discretion to determine whether the project submitted in the 2024 LIHTC Innovation Set-Aside application is materially consistent with the project presented at the 2023 Housing Iowa Conference and in the pre-application.
 - A project application for the 2024 Innovation Set-Aside will not be considered for a 2024 LIHTC Award in any other Set-Aside or the General Set-Aside. An application for the same project may not be submitted separately for consideration outside of the Innovation Set-Aside.
 - The project must have a positive cash flow, no funding gap and meet financial feasibility requirements.
 - The project must meet all building codes (local, state, and federal).
 - All IRS requirements must be met.
 - All LIHTC awards are subject to IFA Board approval.



QAP REQUIREMENT EXCEPTIONS

All 2024 QAP requirements must be met except for the following exceptions to the 2024 QAP requirements.

- QAP 1.3A: Tax Credit Cap per LIHTC Unit does not apply to the Innovation Set-Aside award.
- QAP 1.3C: Developer, General Partner/Managing Member Cap may be exceeded and does not apply to an Innovation Set-Aside award.
- QAP 1.3E: Community Cap Does not apply to the Innovation Set-Aside award.
- QAP 3.4A: Zoning as listed in the QAP does not apply. Projects must have proper zoning when applying for the 2024 LIHTC Innovation Set-Aside.
- QAP 4.3D: A project with no permanent debt is allowed.
- QAP Section 6 Scoring Criteria, 2.6I Scoring Determination, 7.2 Selection Criteria, and 7.4 Tiebreakers do not apply. The Innovation Set-Aside does not have scoring criteria.
- QAP 7.7 Waiting List does not apply. The finalist selected during the 2023 HousingIowa conference is the only applicant allowed for the 2024 LIHTC Innovation Set-Aside.
- QAP 14.6 Minimum Development Characteristics-All Projects Applicants may request an exception to the Minimum Development Characteristics specific to a proposed innovation. Requests for exceptions may be emailed to housingtaxcredits@iowafinance.com prior to application submission.
- IFA may make other exceptions depending on the nature of the innovation.

CONTACT THE IOWA FINANCE AUTHORITY:

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