

2024 LIHTC Round Questions and Answers

New Q and A in Red

QAP Section	Question	IFA Answer
General		
Compliance Training	Is compliance training still a requirement for this round?	No. Compliance training is not a requirement for the development team or management team.
Project Listings	Does IFA have a comprehensive list of Section 42 9% and 4% developments with information regarding how many units are market rate and income-restricted, along with set-aside levels?	A comprehensive list of Section 42 properties is listed on the IFA website.
1.1 Tax Credit Allocation	Is there an estimate of the amount of 9% LIHTC credits that will be available for the 2024 application year?	We anticipate having at least 10 million tax credits available. This may be increased based on pending legislation.
1.2 - Set-Asides		
C - Rural Set-Aside/Appendix A	Can you clarify the definition of rural in the QAP would apply when a city is located in 2 counties?	The application will determine the county based upon the address and nine digit zip code so being rural or not rural will be based upon the building address.
1.3 - Project Limitations	Does the developer cap take into consideration a split of the Developer/GP/MM interest or fees?	We are not splitting the developer cap proportionally.
E - Community Cap	Does the community cap apply to the Innovation Set-Aside?	No, the Community Cap does not apply to the Innovation Set-Aside.
2.2 - Fees	For the application and application review fee, does IFA allow payment by credit card or only electronic check?	Electronic check is only acceptable payment method. When you hit submit, the application will require payment of the application fee. The application review fee will also generate, but is not due until 5 business days after 4-10 which is 4-17. We will post the initial applicant listing with all scores, credit requests, set-asides, cites, etc. on 4/11 so Developers can review and decide if they wish to proceed and if so, they can then pay the application review fee. If not paid by 4-17 at 4:30 p.m., the application is considered as withdrawn.
Market Study	In regard to the Penetration Rate "Provide a statement of penetration rate that considers all income qualified households and all income restricted units (not just LIHTC units) in the PMA only." Does this mean also using PMA Section 8, Section 515, and Public Housing Units in the penetration rate calculation?	Yes, that statement does mean to include all those in the calculation.

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3.2 - Qualified Development Team - Threshold		
A - Qualifying Entity	Can an entity who is not the qualifying entity and is not interested in a 15 year commitment through ownership of the building, be included on the team as a co-developer, and not be a member of the GP?	The entity could be a co-developer and would not have to be a general partner or managing member.
C - New Developer/GP/MM	Can a “new developer” to Iowa with 8609 from another state act as a Development Consultant on additional award(s)?	Developers will be restricted to 2 awards or the 1,600,000 Developer Cap. Refer to QAP Section 1.3C. Points are available only for Developer and GP/MM not for Development Consultant.
3.6 Displacement of Tenants	Is a commercial tenant or owner-occupant a “residential tenant” for purposes of the application and the relocation plan requirement?	For LIHTC, relocation plans are not required for commercial tenant or owner occupant displacements.
4.1 G - Appraisals	If we already own a building, which is sitting vacant, and have an appraisal from 2023 that we would like to reuse, is there a process for getting a waiver of the need for the appraisal?	Submit email to housingtaxcredits@iowafinance.com explaining the need for an appraisal waiver request. If the waiver is approved, the email approving the waiver must be uploaded to the application as Exhibit 2B.
4.2 - Project Funding		
D - Fed and State Historic Tax Credits	We are planning a 9% application on a project that we are also submitting for State/Federal Historic Tax Credits. Can we submit our 9% application prior to receiving our Part 1 Historic approval? The project, through a different developer, has received a Part 1 approval in the past but it did not proceed beyond that phase.	If the project has had a Part 1 in the past that documentation can be provided as part of the application.
	Does IFA have rules regarding the demolition of historic buildings?	LIHTC does not have any rules against demolishing a historic buildings, however, we do like to see historic buildings preserved and reused for a higher and better use if possible. Also, please be aware if you thinking about using any federal funds with LIHTC, such as HOME, which will trigger reviews prior to demolition.
F - HOME Funds	Appendix A says that projects located in a Participating Jurisdiction (PJ) must include PJ HOME funding when requesting IFA HOME funding. How much contribution from a PJ is required to get IFA HOME Funds?	IFA has not set a required PJ amount, however IFA reserves the right to adjust the State HOME award.

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	Can the PJ contribution count towards the match contribution requirement and can we bring in any other source of fund in lieu of PJ HOME funds?	The PJ contibution amount DOES NOT count towards the 25% match of HOME. No you cannot bring in another source of funds in lieu fo the PJ contribution. IFA wants to know that the PJ is in support of the project and want to see that they have some funds in the project.
	Appendix E explains the 25% match criteria and the requirement for HOME funds to be coming from the local PJ if being requested from IFA. Is the property able to utilize the same 25% match criteria for both the local PJ and IFA?	Yes, for State HOME requirements but you must contact the city PJ for their requirements.
	Would the City HOME funds qualify for MATCH?	City HOME funds DO NOT count as match. The city will have to provide some amount of HOME funds to the project in order for you to receive IFA HOME funds.
	We are intending on submitting an application and are planning on requesting \$500,000 in State HOME funds. We were also planning on applying for City HOME funds as well. Do we need a MATCH source for all \$500,000 of the state HOME funds.	There is an overall 25% of match of IFA's HOME funds, but that does not have to come from a project. IFA has always had more than the required 25% match program wide. The match cannot be from any federal program. It has to be state or local funds into a project.
	Can NHTF funds count as the match for HOME funds?	No.
	If we cannot secure HOME fund from a PJ, is there a chance we can still get IFA HOME funds?	If the project is located in a city that is a PJ and received a HOME allocation, you are required to have City HOME to be eligible for State HOME. If there is a CHDO involved in the project, then there is no such requirement.
	Appendix A of the HOME fund appendices states "for projects with five or more HOME units, 20% of the HOME-assisted Units shall be rented at the lesser of FMR or Low HOME rent." This language seems to suggest that HOME rent levels are n/a if the proposed deal features less than five HOME units and said units would then be governed by the appropriate LIHTC rent. Is this correct?	Yes, LIHTC with HOME units can be 60% unless 20% of the HOME units then 50% or "low HOME".
	Implications of HOME Funds: We have contemplated the use of HOME funds with LIHTC (applying for HOME with the 9% application) for this project. This project will involve the demolition of an existing structure which is a federal historic building, and the construction of new multifamily building in its place. Can you provide any insight into:If utilizing HOME funds, what would the Federal process entail to demolish the building? What types of reviews, assessments, and/or requirements are involved? Which federal agency would be the lead agency conducting the review? Is it HUD?	You would have to work with SHPO inorder to be allowed to demolish a historic building. This could be at least a 6 month process or more. IFA would be the lead, but the project would have to hire a consultant to get through the NEPA process.

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G - Other HOME-ARP	Can HOME-ARP be used in the 2024 9% LIHTC Round?	No.
G - Other NHTF/Rent Affordability	Do 30% AMI NHTF units qualify for points under Rent Affordability?	No. NHTF units are excluded from scoring.
	Can NHTF Projects be located on farmland?	NHTF Projects can NOT be farmland.
	If IFA will handle the Housing Trust Fund (HTF) in a manner akin to how they manage HOME funds, the award for these funds will likely go to the LIHTC project with the highest score. If the HTF had already been allocated before reaching our project in line, we would be disqualified as the funds would have already been exhausted.	No, you can have a secondary funding source listed in the application in case, HOME or HTF are not awarded/available.
	Would the IFA consider two separate project submissions, with one including a request for HTF and the other without?	No, not for the same project. One application can be submitted for a project. You can have a secondary funding source listed in the application in case HTF are not awarded/available.
5.3 Permanent Supportive Housing Basis Boost	Can you have PSH units in a senior project?	2024 Appendix D does not list occupancy type restrictions but rather requires the individual or family to meet the definition of Persons experiencing homelessness. If electing PSH on a senior project, the market study must specifically demonstrate the need for PSH units in the market area and the qualified service should be able to demonstrate supportive services experience for senior individuals or senior households experiencing homelessness.
	Is it a requirement that projects pursuing permanent supportive housing have project-based rental assistance for the PSH units?	It is not a QAP requirement that permanent supportive housing units have PHA project-based vouchers.
	Is there an underwriting guide for the PSH units other than the QAP?	The only additional document is Appendix D - Permanent Supportive Housing.
6.2 - Location		
A - Underserved Cities	Given the Burlington project funded in the last round did not move forward, will Appendix E be revised to reflect Burlington scores the point for underserved community?	The Appendices are reflective of the point in time that they were created and will not be updated for this funding round.
I - Site Appeal	Regarding the Site Appeal Tab, we noticed that we scored one point less than expected, how do we find out where the discrepancy is?	Review the QAP for the site appeal changes.

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I-1 Zoning	If a property has the proper zoning but will require a variance before construction, is that considered proper zoning for Category 1 in Site Appeal?	If a variance is needed, as long as the property is properly zoned, the project will be eligible for points in this section.
I - 4-7	If applying for a 9% project, are google maps showing proximity to each of the elements required for Categories 4, 5, 6, & 7 of Section 6.2 (I) Site Appeal?	The Site Appeal Tab for a scattered site project will require entry of each address and a map for each address for categories 4-7.
I-9 Adjacent Properties	The site is not rectangular and the building sits at an angle. How would the property score for this category?	We understand that sites are not always rectangular and not always 4 sided, but we are looking at the general land uses on each side and the overall feel of the site for scoring.
I-15a/b - Ease of Site Development and Condition of Buildings	If a project is part new construction and part historic/adaptive reuse, is it eligible for points under sections 15a (NC) and 15b (Acq/Rehab and Adaptive Reuse)?	The project would only be available for one category at the developers discretion.
J - Olmstead Goals	Please clarify the type of accessible unit design expected for fulfilling accessibility design requirements for minimum development characteristics and Olmstead Goal requirements for persons with mobility disabilities (e.g. Fully Accessible, Type A, Type B, etc.).	Recent updates to the minimum development characteristics for accessibility requirements and Olmstead Goals were made with the intention of designating all units designed for persons with mobility disabilities to be fully accessible (FA) (2009 ICC A117.1).
6.4 - Qualified Development Team - Scoring		
A - LIHTC Experience	Can co-developers combine their experience to receive points if they are not eligible individually?	No, IFA does not stack developer experience to receive points.
D - CHDO		
	Is the CHDO able to be the developer with no ownership of the building? If they are required to have ownership, is there a required percentage of the GP?	The CHDO itself or a wholly owned subsidiary of the CHDO must be either the sole GP/MM of the Project Owner or sole MM of the LLC that owns the Project.
7.4 -Tiebreakers	Can a co-developer be able to qualify for tiebreaker C, seeing if they received a tax credit award in Iowa in the time requirement?	As long as the entity is 50% co-developer, this would qualify for the tiebreaker.

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14.6 Minimum Development Characteristics - All Projects		
A-3 Community Room	For senior projects, can the minimum design requirements for a Community Room count towards the points for a Multipurpose Room? Or do they need to be two separate spaces if you are claiming points for a Multipurpose Room in a Senior development?	You may not count a community room also as a multipurpose room to get the points – two separate rooms would be required to meet threshold (community room) and for points for the multipurpose room. Thanks.
A-4 Playgrounds	In what situation would IFA approve a sports court as an exception for a playground?	IFA requires playgrounds for family projects and prefers these over other recreational amenities when possible. An exception may be considered for locations with irregular site features like small urban locations where the building takes up most of the land or adaptive reuse school building projects where there is an existing indoor gym. IFA may approve alternatives on a limited case by case basis.
Exhibits & Appendices		
3T - Ownership Entity Documentation	The organization docs in 3T and 4T of the application checklist-are those required at threshold or can they be submitted after award?	If HOME or NHTF will be requested, the ownership entity must be formed so all 3T exhibits would be required. If no HOME, only the Exhibit 3Tf is required at time of application submission. Regarding the 4T exhibits, all general partner/managing members must be formed and exhibits provided at the time of application submission.
OE/Exhibit 4T	Can you please clarify if or what entities need to be fully formed at application?	All 4T exhibits are for general partners/managing member entity of the ownership entity and any member/manager/partner entity of that gp/mm. The online application will advise you what exhibits are required once you enter QDT members.

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Exhibit 11T - Utility Allowance	For Iowa 9% deals, are we bound to using the Local PHA UA for Application and Operations? Or in operations can we pivot to a HUSM or similarly consultant derived UA so long as the deal passes IFA underwriting with the PHA UA at Application?	If it is not a HUD Section 8 contract or Rural Development, you may use the PHA or HUSM at the time of initial application. If HUSM, you will need to print out the pages that supports the calculation with the utility allowance schedule. The project may switch to the HUSM model if the project were to receive an award. Projects that will be utilizing HOME funds must use the HUSM Model.
	Can we have 3 and 4 bedroom units pay water and sewer and be metered individually and 2 bedrooms have water and sewer included in rent?	No. If any utilities are to be paid by the tenant, the owner must apply this to all units. You cannot have different bedroom sizes pay different utilities.
	Can you please clarify if the developer can conduct the HUD HUSM or does it have to be done by a consultant?	The developer can use the HUD HUSM model and do the calculation from the HUD website.
	With HOME funds in the initial application, will a UA schedule from the local housing authority suffice until IFA can determine the appropriate schedule with the developer via the HUSM?	Yes. Refer to Appendix N - Exhibits Checklist.
	Can a consultant prepare an Energy Consumption Model for 9% deals? Or do we have to do a HUSM?	During the allocation process owners are to use the PHA UA or the HUSM model. Refer to Appendix M. Once the project is placed in service and the 8609 issued, the owner can work with IFA compliance on other utility allowance calculations.
	Can we install our own submeters so tenants pay their own utilities but they pay to the property vs paying direct to the utility provider? This eliminates a large "service fee" that will otherwise be included in the HUSM calculation, some states allow this and others do not.	IFA allows submetering, but you have to be consistent so every unit pays the same utility types. The Buildings Tab in the application has a question on whether the units will be sub-metered and if yes, you must certify that "...in each sub-metered rent-restricted unit, utility costs will be billed and paid by tenants based on actual consumption and treated as paid directly by the tenant for purposes of Section 42(g)(2)(B)(ii) of the Internal Revenue Code.
Exhibit H25 - Sellers Acknowledgement	I believe the Exhibit Tab references Exhibit H-25 as the Sellers Acknowledgment Form, but the form accessed via that link is titled as Exhibit H-24. When uploading, it is referencing this form as Exhibit H-25.	H-25 is Seller's Acknowledgement mistakenly has H-24 in the heading.
Appendix N- Exhibits Checklist	Can you tell me if there is an application checklist for a developer to apply for the low income housing tax credit?	Please refer to Appendix N – Exhibits 5B and 8B at 2024-9-percent-Appendices-Package-1.pdf (iowafinance.com).

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Appendix Q - Iowa Thriving Communities	Are the 4 cities in the Appendix Q are the only cities that qualify for the points. An earlier announcement showed multiple cities that were Iowa Thriving Communities.	Yes, only the 4 cities listed are available for points for these points. There were other cities that were awarded Iowa Thriving Communities designation for Workforce Housing Tax Credits only.