



APPENDIX LIST

Appendix	Description
A	Application Instructions
B	Exhibits Checklist
C	LIHTC Qualified Census Tracts & Difficult Development Areas
O	Market Study Guidelines



APPENDIX A

4% TAX-EXEMPT BOND FINANCED LIHTC APPLICATION INSTRUCTIONS

Applicants for Low-Income Housing Tax Credits (LIHTC) under the 4% Housing Tax Credit Program shall be required to submit an electronic Project Summary through the online Application to initiate discussion with IFA regarding the Tax-Exempt Bond process to determine whether IFA will be the conduit tax-exempt bond issuer or the bond issuer and mortgagee through the Multifamily Loan Program. During this time, an Applicant may work on the 4% LIHTC online Application; however, the Application cannot be submitted until an Applicant knows whether IFA will be the conduit tax-exempt bond issuer or the bond issuer and mortgagee of the Project through the Multifamily Loan Program. IFA will send an email notification to the Applicant if the bond application submission is required through the online Application.

1. To initiate the 4% online Application, a summary of the proposed Project shall be submitted to IFA and Applicant shall contact the IFA Multifamily Loan Program staff for review of the information and to assist the Applicant with the process.
2. If IFA is the conduit issuer of the tax-exempt bonds, the Applicant shall submit the Economic Development Bond Application and fees through the online Application.
3. The Private Activity Bond Cap (CAP) requirements set forth in the 4% Qualified Allocation Plan (QAP) shall apply.
4. Applications may be submitted at any time using the online Application; however, Applications submitted during the 9% LIHTC Application round may not be reviewed during the 9% LIHTC Application review process.
5. Only complete Applications shall be submitted. A Project shall satisfy all the underwriting and threshold requirements of the 4% QAP
6. Once submitted to IFA, the Application will be unavailable to the Applicant until such time that the Applicant needs to make a change per IFA's request. The Application will then be available to the Applicant for such changes.
7. If the Owner will be electing the Placed-in-Service date for the Gross Rent floor rather than IFA's determination letter for the Gross Rent Floor, make election on the Project Description Tab and submit the IFA-Required Form, Exhibit 21T. The form shall be submitted prior to any building's Placed-in-Service Date.
8. Generally, bonds need to stay in place at least through submission of the IRS Form 8609 Application package.



APPENDIX B – 4% LIHTC EXHIBITS CHECKLIST

IFA-required Exhibit are available on the Exhibits Tab of the online Application.

EXHIBIT	SUPPLIED BY	APPLICATION REFERENCE	NARRATIVE DESCRIPTION	WHEN REQUIRED
1T	Applicant and Online Application	Qualified Development Team, Ownership Entity & Buildings	<p>Application Certification & Acknowledgements</p> <p><u>IFA Required Form</u></p> <ul style="list-style-type: none"> The Application pre-fills the entity names entered on the Qualified Development Team Tab into Exhibit 1T. Generate Exhibit 1T by selecting IFA Form Required after all team members have been entered on the Qualified Development Team Tab. 	All Projects
2T	Applicant	Site Control	<p>Current Real Estate Tax Assessment Documentation</p> <p>Provide a current print-out from the county assessor for the real estate on which the Project is or will be located that shows the current owner of the real estate.</p>	All Projects
3T's	Applicant	Ownership Entity	<p>Ownership Entity (OE) Documentation</p> <p><u>3Ta</u>: IRS F.E.I.N. letter in the Ownership Entity's name. <u>3Tb & 3Tc</u>: A Limited Partnership ("LP"), Limited Liability Partnership ("LLP") or Limited Liability Partnership ("LLLLP") file-stamped certificate of Limited Partnership and a current Limited Partnership Agreement. <u>3Td & 3Te</u>: A Limited Company ("LC"), Limited liability Company ("LLC") Ownership Entity's- file-stamped Article of Organization and a current Operating Agreement. <u>3Tf</u>: Ownership Entity organizational chart.</p>	All Projects
4T's	Applicant	Qualified Development Team	<p>Owner Representative(s) (General Partners/Managing Members) Documentation</p> <p><u>4Ta & 4Tb</u>: LP, LLP, or LLLP Owner Representative's file-stamped certificate of Limited Partnership and current Limited Partnership Agreement. <u>4Tc & 4Td</u>: LC and LLC Owner Representative's file-stamped Articles of Organization and current Operating Agreement. <u>4Te, 4Tf, & 4Tg</u>: A Corporation Owner Representative's file-stamped Articles of Incorporation, By-laws and Board Resolution approving actions of the corporation concerning the proposed Project.</p> <ul style="list-style-type: none"> Required for each GP/MM. 	All Projects
5T	Applicant	Funding Sources	<p>Letter of intent from lending institutions (on their letterhead) for all construction and permanent financing</p> <p>Provide letter of intent on lending institution's letterhead that includes loan amount, interest rate, term, amortization period (min. of 30 years required for first mortgage debt), fees, pre-payment penalties, anticipated security interest in the Property and lien position.</p>	All Projects



EXHIBIT	SUPPLIED BY	APPLICATION REFERENCE	NARRATIVE DESCRIPTION	WHEN REQUIRED
6T	Applicant	Funding Sources	<p>Letters of Intent from all other funding sources</p> <p>Provide letters for all other funding sources that includes existing debt to be assumed, that states the value of the funding, the purpose of the funds may be used for, and any time limitations.</p>	All Projects
6Ta	Applicant	Buildings, Funding Sources, Costs and Credit Calc.	<p>Federal and state historic tax credit documentation</p> <ul style="list-style-type: none"> • Provide documentation from the State Historical Preservation Officer demonstrating that all buildings within the Project are listed on the National Register of Historic Places or determined to be eligible for the National Register by the State Historic Preservation Officer. • Provide letter of intent for the equity for both the federal and state historic tax credits. 	If applicable
7Ta	Applicant	Current Rent Roll	Provide a current rent roll for all Units.	Acq/Rehab, Rehab
7T	Applicant	Project Description & Buildings	<p>HUD and Rural Development (“RD”) Authorization to Release of Information</p> <p>Provide the signed applicable HUD or RD-required form.</p>	If applicable
8T	Applicant	Project Description, Site Control, Buildings & Costs and Credit Calc.	<p>Attorney Opinion as to Eligibility for Acquisition Credits</p> <p><u>IFA Required Template</u></p>	If applicable
9T	Applicant	Qualified Development Team & Costs and Credit Calc.	<p>Executed copy of the Development Consultant Agreement(s)</p> <p>Provide an executed copy of the Agreement(s) .</p>	If applicable
10T	Applicant	Funding Sources & Qualified Development Team	<p>Syndication or Other Sale or Exchange of Tax Credit Interest to Investors Documentation</p> <p>Provide a copy of the Syndicator/Direct Investor letter of interest that includes equity price, approximate equity amount, recommended minimum operating expenses for the Project, and investor approved market analyst firm.</p>	All Projects
11T	Applicant	Buildings	<p>Tenant Paid Utility Allowance Documentation</p> <p>Provide one of the following:</p> <ol style="list-style-type: none"> 1) Current Public Housing Authority (“PHA”) utility allowance schedule showing amounts for each tenant paid utility. <ul style="list-style-type: none"> • Circle utility amounts on chart. • If the documentation is older than 13 months, provide a statement from the PHA confirming that the utility amounts are current 2) HUD Utility Schedule Model (HUSM) and supporting documentation 3) HUD or Rural Development (“RD”) Projects, provide a copy of the current HUD rent schedule or 	Required when all utilities are not included in rent and for Projects with Federal Project-Based Rental Assistance.

4% Projects



EXHIBIT	SUPPLIED BY	APPLICATION REFERENCE	NARRATIVE DESCRIPTION	WHEN REQUIRED
			documentation of the current RD tenant's utility allowance.	
12T	Applicant	Exhibits	Market Study Report Submit a comprehensive market analysis with a full narrative report following IF's current market study guidelines that is prepared by an independent third-party National Council of Housing Market Analysts member unaffiliated with the developer. Refer to Appendix O – Market Study Guidelines.	All Projects
13T	Applicant	Project Description	Transitional Housing Provide information on how a non-profit or governmental entity will work to transition tenants out to permanent housing within 24 months and detail the supportive service programs.	Transitional Housing Projects
14T's	Applicant	Ownership Entity & Qualified Development Team	14T's - Authorized Signor Documentation <u>IFA Required Forms</u> <ul style="list-style-type: none"> • 14a: Ownership Entity Authorized Signor • 14b: General Partner(s)/managing member(s) Authorized Signor 	All Projects
15T	Applicant	Exhibits	15T – Confidentiality Request <u>IFA Required Forms</u>	If requesting confidential treatment of any document in the Application.
16T	Applicant	Project Name and Location, Costs and Credit Calc. & Buildings Tab	Qualified Census Tract (“QCT”) / Difficult to Development Area (“DDA”) Map Provide a current map generated from the HUD GIS Website showing the entire Project is currently in a QCT or DDA.	If applicable
17T	Applicant	Project Description	Public Housing Authority (PHA) Project-Based Voucher Documentation	If applicable
18T	Applicant	Project Description, Buildings & Costs and Credit Calc.	Community Service Facility <u>IFA Required Form</u>	If applicable
19T RESERVED				



EXHIBIT	SUPPLIED BY	APPLICATION REFERENCE	NARRATIVE DESCRIPTION	WHEN REQUIRED
21T	Applicant	Ownership Entity	<p>Binding Owner Election for Establishing the Gross Rent Floor for date other than IFA's date of determination letter (42m letter)</p> <p><u>IFA Required Form</u></p> <ul style="list-style-type: none"> Enter election on the Project Description Tab if the Owner is electing the Placed-in-Service date to establish the Gross Rent Floor and upload the Exhibit. Exhibit 21T shall be uploaded to the Exhibits Tab before first building is placed in service. 	If applicable
1B	Applicant	Site Control & Buildings	<p>Site Control or Ownership of Site(s) Documentation</p> <p>Provide executed documents showing the site control requirements set forth in the QAP have been met.</p> <ul style="list-style-type: none"> Site control documents must include only the acreage necessary for the proposed Project. 	All Projects
2B	Applicant	Site Control & Costs and Credit Calc.	<p>Appraisal or IFA's Waiver for an Appraisal</p> <ul style="list-style-type: none"> For land and buildings acquired from a party with an Identity of Interest. Acquisition/Rehabilitation Projects requesting acquisition credits. 	If applicable
3B	Applicant	Site Description	<p>Labeled Color Photos of Project & Adjacent Property</p> <p>Submit as one PDF file:</p> <p>New Construction Projects</p> <ul style="list-style-type: none"> Eight photos are required for each site location. <ul style="list-style-type: none"> ✓ Looking towards the center of each site from the North, South, East, & West. ✓ Looking out from the center of each site toward the North, South, East, & West. <p>Adaptive Reuse, Acq/Rehab, Rehab Projects</p> <ul style="list-style-type: none"> Photos looking at each building from the North, South, East and West. Four of the overall site looking in from each cardinal direction 	All Projects
4B	Applicant	Site Description & Buildings	<p>Maps</p> <ol style="list-style-type: none"> Legible recent official city map pinpointing the site location(s). Shall show the legal address of the property, the names of surrounding streets & any other information important for the site inspection; and An assessor plat map or civil engineer's proposed re-platting map for each site location. 	All Projects

4% Projects



EXHIBIT	SUPPLIED BY	APPLICATION REFERENCE	NARRATIVE DESCRIPTION	WHEN REQUIRED
5B	Applicant	Site Description	<p>Site Plans</p> <p>Location and extent of all work proposed in the Application</p> <ul style="list-style-type: none"> • Site dimensions • Site zoning • Accessible site routes • Accessible Unit types • Easements and setbacks • List total number of parking and type of parking (surface, garages, underground) Show it on the plan. • Planting, utility & general notes • Show all buildings (including manager's Units & accessory buildings) • Provide gross square footage of each building. 	All Projects
6B's	Applicant	Site Description	<p>Detrimental Site Characteristics Remediation Documents</p> <p>If the site or adjoining sites contain any detrimental site characteristics, provide the following:</p> <ul style="list-style-type: none"> • 6B a: Remediation Plan • 6B b: Budget to make site suitable • 6b c: Map showing detrimental characteristics on site plan 	If applicable
7B	Applicant & Online Application	Project Name and Location, Site Control, Buildings, Site Description, Qualified Development Team	<p>Political Jurisdiction Certification</p> <p><u>IFA Required Form</u></p> <ul style="list-style-type: none"> • Generate on the Exhibits Tab after the Project Name and Location, Buildings, Ownership Entity, Site Control, and Site Description Tabs have been completed. • Form and site plan shall be sent to the city to be completed and signed by an authorized city official. 	All Projects
8B	Applicant	Buildings, Project Amenities, Project Description & Construction Characteristics	<p>PLANS</p> <p>Shall show all proposed work at a minimum schematic design level of completion.</p> <ul style="list-style-type: none"> • Show elevations. • Label the use of all rooms in the building (i.e., computer learning center, manager's Unit, manager's office, library, media center room, craft room, maintenance room, dining room, fitness center, laundry room, beauty salon/barber room, etc.) • Label the net square footage of each unit and all other rooms in the building • Show Accessible routes through the building on in the Accessible unit plans • Provide a unit plan of each unit type. • Tabulate on the plans all units by type and provide the total number of Units • Label all rooms in the Units (i.e. bedroom, bathroom, kitchen, living room, closets, etc.) 	All Projects

4% Projects



EXHIBIT	SUPPLIED BY	APPLICATION REFERENCE	NARRATIVE DESCRIPTION	WHEN REQUIRED
			<ul style="list-style-type: none"> Label the net square footage of each Unit and each room in the unit and common areas, and any commercial space. Show gross square footage of each building 	
9B	Applicant	Construction Characteristics, Project Amenities & Project Description	<p>Scope of Work</p> <p>Provide a Scope of Work for the Project that meets the requirements set forth in 4% QAP.</p> <ul style="list-style-type: none"> Shall be in a narrative form by CSI divisions. 	Acq/Rehab, and Rehab Projects

Capital Needs Assessment (“CNA”): Acquisition/Rehabilitation or Rehab Projects shall submit a complete CNA with the design documents that are submitted for review and approval prior to the start of construction.

- ✓ An “assignment” will appear for the Development Team on the Assignments Tab of the Application.

Post-Closing Submittal

All Applicants shall submit post-closing documents through the Post-Closing Tab in the Application.

- ✓ An “assignment” will appear for the Development Team on the Assignments Tab of the Application.

Prior to Placed-in-Service Documents

Submission of Prior to Placed-in-Service documents shall be through the Prior to Placed-in-Service Docs Tab in the on-line Application at least 120 days prior to the first Unit’s Placed-in-Service Date.

- ✓ An “assignment” will appear for the Development Team on the Assignments Tab of the online Application.



APPENDIX C
LIHTC QUALIFIED CENSUS TRACTS (QCTS) AND DIFFICULT DEVELOPMENT AREAS (DDAS)
QCT & DDA's EFFECTIVE 1-1-2023

SECTION 1 – QCTS AND DDAS

A. METRO QCTS

Ames MSA Story County
5, 7, 10, 11.01, 13.04

Cedar Rapids MSA Linn County
19

Council Bluffs MSA Pottawattamie County
306.02, 309.00, 313.00

Davenport MSA Scott County
106.00, 107.00, 108.00,
109.00, 110.00, 113.00,
125.01

Des Moines-West Des Moines MSA Dallas County
503.00, 504.00

Des Moines-West Des Moines MSA Polk County
1.01, 4, 11, 12, 17, 21, 26, 29,
39.01, 44, 46.02, 47.02, 48,
49, 50, 52

Dubuque MSA Dubuque County
1.00, 5.00, 7.01

Iowa City MSA Johnson County
2.00, 3.04, 4.01, 6.00, 11.00,
16.01, 16.02, 21.00, 23.00

Sioux City MSA Woodbury County
8.00, 12.00, 13.00, 14.00,
15.00, 36.00

Waterloo-Cedar Falls MSA Black Hawk County
1.00, 3.00, 7.00,
8.00, 9.00, 16.00, 17.01,
17.02, 18.00, 19.00, 23.03,
23.04

B. NON-METROPOLITAN STATISTICAL AREAS - QCT

Appanoose County
300.00

Clinton County
100.00

Des Moines County
300.00, 400.00

Floyd County
400.00

Jackson County
600.00

Lee County
800.00, 900.00, 1000.00

Mahaska County
700.00

Marion County
500.00

Monona County
300.00

Muscatine County
1000.00

Page County
200.00

Wapello County
200.00, 500.00, 600.00,
1000.00

Webster County
700.00

C. DIFFICULT DEVELOPMENT AREAS (DDAs)

None



APPENDIX O

IOWA FINANCE AUTHORITY'S MARKET STUDY GUIDELINES

Beginning in 2023, The Iowa Finance Authority (IFA) has changed its Market Study Process for 9% Low-Income Housing Tax Credit (LIHTC) competitive allocation round. Applicants will now commission their own market studies and will be due the same day the tax credit application is submitted. In prior years, Applicants seeking 9% tax credits were required to have IFA commission a market study after an application was submitted.

Beginning in 2023, 4% LIHTC non-competitive Applicants will continue to commission their own market studies, but market study firms must meet IFA market study requirements. IFA previously allowed non-competitive Applicants to commission their own market study without any stipulations.

General

- The study shall be in conformance with IFA guidelines.
- Be prepared by a third-party Market Study Firm in good standing with National Council of Housing Market Analysts (NCHMA).
- Provide a full-narrative Market Study Report effective within 6 months of submission.
- The Market Study provider shall acknowledge the study is being completed for IFA's use and benefit.
- The Market Study provider understands IFA may contact them at any time when reviewing the market study.
- All reports should be in a searchable PDF format.
- Requires the Market Analyst to travel to and physically inspect a proposed site and market area.
- All photos in the report must be taken by the analyst during the site inspection.
- The market study shall be used to demonstrate that there is adequate sustained demand for the proposed Project, and that the construction or rehabilitation of the additional affordable units will not have an adverse impact on the existing affordable units in the market area.
- Market Study Report will contain a Cover Sheet with Iowa Specific Requirements (see sample at the end of this appendix)

Primary Market Area (PMA)

The PMA should be the *smallest geographic area* from which the subject development will compete with similar properties to draw most of its residents. Identify PMA boundaries by census tracts, school districts, jurisdictions, street names, or other geography forming the boundaries. Include a map of the primary market area described. IFA will not accept radii primary market areas.

For proposed PMA's larger than 25,000 households, the market analyst is required to receive IFA approval prior to submission. The market study provider should not automatically expand to 25,000 households without justification.

Age Restricted Units

All age restricted projects shall use the 55+ or 62+ exemption. If the age restriction in the application conflicts with a Federally subsidized program, the more restrictive age requirement shall be used to evaluate the market.

Age restricted projects shall have no more than 2 bedrooms.



Substandard Housing Conditions

NCHMA Market Study Terminology Definition is required to be used. Housing conditions that are conventionally considered unacceptable may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

Income

All LIHTC Income limits should be calculated based on the most current HUD's MTSP calculations available on the effective date of the report. Do not use Section 8 poverty guideline calculations. The 9% Competitive Round will use 2022 Rent & Income Limits.

Comparable and Rent Analysis

All comparable projects used for the rent determination shall be located in the PMA.

All LIHTC projects located in the PMA shall be identified and considered in the market study analysis. Each LIHTC property not used as a comparable property the analyst shall explain why the project was not surveyed or considered in the analysis.

Market rent shall be determined for each bedroom type using HUD Form 92273-S8 Rent Comparability Grid.

Rent Advantage

IFA Requires a rent advantage for proposed rents of at least 10 percent discount from the estimated market rents.

Quantify and discuss the market advantage of the proposed rents per bedroom size. Include a table that presents proposed rents by bedroom size, estimate achievable market rent, and the ratio of proposed rent to estimated market rent. Discuss the feasibility of the proposed rent levels per bedroom size and whether the proposed rent level is achievable. If LIHTC rents are not achievable based on the existing market conditions, recommend alternate rents or justify why future market conditions will make the proposed rent favorable.

Rent Burden

Acceptable rent burden of 35 percent of a household's monthly income for any occupancy type.

Capture Rate – AMI and Bedroom Size

Calculate the capture rate for each income level (market rate, 80%, 60%, 40%, 30%, etc.) proposed as well as an overall capture rate.

The capture rate is the total number of project units divided by the total income and size qualified renter households in the PMA.

IFA requires an overall capture rate of no more than 10% for new construction and adaptive reuse projects. If a bedroom capture rate exceeds 25% the analyst shall provide a narrative in the report that justifies why the project is still feasible, and/or provide project recommendation(s) to lower the capture rate(s). The capture rate shall consider only qualified households in the PMA.

Penetration Rate

Statement of penetration rate that considers all income qualified households and all income restricted units (not just LIHTC units) in the PMA only.



Absorption Rate

Determine the amount of time that is expected to achieve stabilized occupancy of 93% at the proposed development. If the projected absorption rate is greater than 12 months, the analyst should provide recommendations for adjustments necessary to attain stabilized occupancy with 12 months (number of units, unit mix, AMI levels, rents, etc.).

Special Housing Need

If the proposed project specifies a special housing need, including but not limited to transitional housing, permanent supportive housing, or a specific population (artist, veteran, literary activities) then the specified rental population shall be analyzed and determined it can be sustained and suitable for the proposed project.

Community Service Facility

A market study must describe the proposed community service facility and how it can serve individuals whose income is 60% or less of the area median income and located in a qualified census tract determined by HUD. Analyze how the service facility will improve the quality of life for the residents and improve quality of life for individuals in the community. Demonstrate the facility is located in the proposed LIHTC building and contains appropriate access for residents and individuals from the community. Determine there would be a demand for services and the services would be affordable to people with income at 60% or below.

Sample Cover Sheet for Iowa Specific Requirements

The cover sheet must contain the following information:

Number of Households in the PMA (no more than 25,000 without IFA approval)

Absorption Period to reach an overall stabilization of 93% occupancy:

Overall Capture Rate in the PMA (no more than 10%)

Rent Advantage (at least 10%)

Bedroom Size	AMI%	LIHTC Rent Proposed	Market Rent	Rent Advantage