2025 — THIRD AMENDED 4% QUALIFIED ALLOCATION PLAN (QAP)

This Qualified Allocation Plan (QAP) governs the 2025 4% Low-Income Housing Tax Credit (Tax Credit) allocation year. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35.

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INTRODUCTION

This Qualified Allocation Plan (QAP) governs the 2025 federal 4% Low-Income Housing Tax Credit (Tax Credit) allocation year. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35.

The mission of the State of Iowa federal housing Tax Credit Program is to enhance the lives of Iowans by partnering with developers who share our mission of preserving and expanding affordable housing. The QAP, online application, and policies and procedures were developed to meet this mission, as well as all requirements of Section 42 of the Internal Revenue Code (Code).

The Code requires each Allocating Agency to develop a QAP for use in determining those developments that will receive an allocation of Tax Credits. If the relevant IRS Code or IRS regulations that govern this program are amended, the IFA Board may amend this QAP to ensure it conforms.

In the process of administering the Tax Credit program, IFA will make decisions and interpretations regarding this QAP, Applications, and Projects. Unless otherwise stated, IFA is entitled to full discretion in making such decisions.

IFA shall become the owner of the Applications. IFA is not responsible for any costs incurred by Applicants.

In all instances in which federal, state, or local requirements apply to the Project, the most restrictive requirements shall apply.

PART A – REQUIREMENTS FOR 4% TAX CREDITS WITH TAX-EXEMPT BONDS

SECTION 1. SET-ASIDE, TAX-EXEMPT BONDS, AND CAPS

1.1. SET-ASIDES. The funding round will include the following set-asides. Projects competing in the Rural Set-Aside may compete in the General Set-Aside.

A. **Rural Set-Aside.** IFA will award no more than one project in the Rural Set-Aside. Refer to Appendix C – QCTs, DDAs, and Rural Counties.

B. **General Set-Aside.** IFA will award the remaining projects under the General Set-Aside.

1.2 PRIVATE ACTIVITY BOND CAP (Bond Cap). Through its Private Activity Bond Program, IFA issues tax-exempt bonds, and expects to have approximately $80 million of its available 2026 bond cap available to award under this QAP. Tax Credits are allowed for the portion of a Project's Eligible Basis that is financed with the tax-exempt bonds. If twenty-five percent (25%) or more of a Project's aggregate basis (land and building) is so financed as long as at least 5% of the aggregate land and building costs are financed with tax-exempt bonds issued after Dec. 31, 2025, the Project is eligible for Tax Credits for up to the full amount of Eligible Basis. Acquisition and rehabilitation property can separately qualify so that the rehabilitation portion placed in service in 2026 or later could qualify for the 25% test even for property acquired in 2025. The Bond Cap Limit for each Project is the lesser of thirty-five percent (35%) of the aggregate basis or $25 million per Project. Regardless of either this limit or the amount requested, IFA will set the bond cap awards based on its determination of the best allocation and each Project's financial feasibility. If a Project requests to exceed its Bond Cap Limit, the Developer and/or GP/MM or affiliates thereof will lose points in future rounds. The allocation of the bond cap shall be pursuant to IRC Section 146 and Iowa Code Chapter 7C and must occur in calendar year 2026 after the submission of the bond issuance application. If an awardee has not closed on the bond issuance by December 24, 2026, their bond cap allocation is no longer valid, and IFA may use such bond cap for other purposes unless determined otherwise under the sole discretion of IFA. An award of 4% Tax Credits does not constitute a reservation and/or allocation of bond cap.

1.3 DEVELOPER CAP. The maximum award to any one Developer is one Project per 4% Tax Credit round unless total application requests at the time of Application submission for bond cap does not exceed what is available. This restriction does not apply to Developer Application submissions. IFA has the discretion to evaluate capacity and will notify Developers prior to the 4% Tax Credit round.

SECTION 2. APPLICATION PROCESS OVERVIEW

2.1 TAX CREDIT RESERVATION AND BOND INDUCEMENT RESOLUTION SCHEDULE.
To the extent possible, the following schedule applies to the Tax Credit Reservation process and Bond Inducement Resolution process for 4% Tax Credits.

Process Step	Date
Tax Credit Application Package Available	July 2025
Deadline for Bond Inducement Resolution Applications to IFA	July 23, 2025 or August 20, 2025
Tax Credit Application Submission Due Date	September 17, 2025 by 4:30 P.M. Central Time
Tax Credit Application Deficiency Period	Mid/Late October 2025
IFA Tax Credit Reservation recommendations at IFA Board Meeting	December 3, 2025

Process Step	Date
Bond Issuance Application Submission Deadline	No later than November 1, 2026
Placed in Service Date	24 months from the date of the Bond Issuance Date
IRS Form 8609 Application Package due to IFA	No later than November 1 of the first-year credit period

Any revisions to the schedule will be published on the IFA website. Adoption of a bond inducement resolution by the IFA Board of Directors does not constitute a commitment by IFA to approve or fund the proposed 4% Tax Credit Project with low-income housing tax credits or other funding sources. A Board-approved bond inducement resolution also does not constitute a reservation of Private Activity Bond Volume Cap or a commitment by the IFA to issue bonds related to the 4% Tax Credit Project.

2.2 FEES. Electronic payment of the fees is required. Fees are nonrefundable. IFA shall collect the fees described below for the 4% Tax Credit Program.

Fee Type	All Applicants
Bond Inducement Resolution Application Fee	$1,000 for Bond Inducement Requests of $10 million or less $2,500 for Bond Inducement Requests greater than $10 million
4% Tax Credit Application Fee	$3,500
4% Reservation Fee	1.25% of the total 10-year Tax Credit amount due within 30 calendar days of issuance of IRC Section 42(m) Letter.
Material Change in Application Fee	$7,500 for material change requests.
IRS Form 8609 Application Fee	$20,000
Amended IRS Form 8609 Fee	$1,000
IFA Legal Fees	Legal fees of IFA's in-house counsel related to the Project may be billed at the rate of $150 per hour. Legal fees of outside counsel related to the Project will be billed at the rate charged to IFA.
Construction Monitoring Fees	A $3,500 construction monitoring fee will be due with the IRS Form 8609 Application.
Fees for Failed and Missed Inspections	IFA charges an additional $500 fee when conditions at the site warrant a return visit or any missed inspection or preconstruction meetings when IFA's construction analyst is not given 10 days advance notice.

Fee Type	All Applicants
Compliance Monitoring Fee	$40 per Unit x number of total Project Units, submitted annually on or before January 31 for each year of the Compliance Period and the Extended Use Period (if applicable). (Example: $40 per Unit x 24-Unit Project = $960 paid annually for 30 years.) Additional fees may apply if the Ownership Entity does not successfully elect to treat a Project as a multiple-building Project on the IRS Form 8609, if eligible to do so. Annual rate increases may apply. Other fees as provided in the IFA compliance manual. The first annual payment shall be submitted with the IRS Form 8609 Application. The Ownership Entity has the option of paying the compliance monitoring fee in advance for the entire Compliance Period and the Extended Use Period (if applicable); however, additional fees may be assessed to the Property during the Compliance Period and Extended Use Period if annual rate increases are applied during that time.

2.3 CONTACT WITH IFA.

A. **Prior to Application Submittal.** Applicants may submit questions regarding an interpretation or clarification of the QAP, IFA policies, procedures, or rules relating to this Tax Credit Program to housingtaxcredits@iowafinance.com. IFA shall not be bound by any oral or written representation made in connection with the Application or award of Tax Credit Reservations other than those provided on its website.

B. **After Application Submittal.** Applicants shall not contact IFA staff or Board members regarding their Application until after award. Once the Application has been submitted, IFA will only discuss supplemental or clarifying data during the Application Deficiency Review Period.

2.4 APPLICATION SUBMITTAL.

A. **Bond Inducement Resolution Application.** All Projects using IFA as the Conduit Bond Issuer must have an approved Bond Inducement Resolution from the IFA Board prior to applying for 4% Tax Credits. The Applicant shall complete the Bond Inducement Resolution Application and payment of the Bond Inducement Resolution Application Fee through the online Application. Refer to Appendix A – 4% Tax-Exempt Bond with Federal Housing Tax Credit (LIHTC) Process Overview, for information about Projects not using IFA as the Conduit Bond Issuer.

B. **Board Approval of Bond Inducement Resolution.** The IFA Board has discretion to approve the Bond Inducement Resolution for the purpose of using tax-exempt financing for the 4% Tax Credit Project. Receipt of an IFA Board Approved Bond Inducement Resolution is not a commitment by IFA to approve or fund the proposed 4% Tax Credit Project with low-income tax credits or other funding sources or a commitment by IFA to issue bonds related to the proposed 4% Tax Credit Project. Approved Bond Inducement Resolutions for Projects that are not awarded 4% Tax Credits under this QAP are valid for this 4% Tax Credit round only unless extended at IFA's sole discretion.

C. **Tax Credit Application Package.** Applicants shall submit the Application and exhibits through the online Application prior to the Tax Credit Application submission due date. Applicants shall use the forms contained in the Tax Credit Application Package and include all information required by the QAP or as otherwise required. Applicants are advised to check IFA's website periodically for any amendments or modifications to the Application Package.

2.5 MARKET STUDY.

All applications shall include a comprehensive market analysis with a full narrative report following IFA's current market study guidelines. The study must be prepared by an independent third-party National Council of Housing Market Analysts member unaffiliated with the developer. The Market Study Provider shall acknowledge the study is being completed for IFA's use and benefit. IFA may contact the Market Study Provider at any time. Refer to Appendix O – Market Study Requirements.

A. **Market Study Timing.** The Market Study and field survey must have been completed no more than 6 months prior to the application submission.

B. **IFA Market Study Review.** The Market Study must reflect the Application submitted, including but not limited to unit mix, income targeting, rent levels, minimum set-aside, and other property attributes and amenities. IFA may permit or require Applicants to comply with recommendations made by the Market Study Provider in the deficiency report. IFA may reject an Application if the Market Study submitted does not meet the IFA Market Study guidelines.

2.6 COMPLETE APPLICATION.

For IFA to review an Application fairly and accurately, it shall be complete. If there is not adequate information provided to review the Application, and upon request from IFA to the Applicant, adequate information is not submitted, then IFA shall reject the Application.

A. **Prior Years.** Application determinations made in prior years are not binding on IFA for the current round.

B. **Site Plans and Site Visits.** Applications shall include a preliminary site plan, floor plans, and elevations of all sides of all buildings. Applicants shall provide IFA building access for inspection.

C. **Authorization Forms.** IFA may request an executed IRS Form 8821, Tax Information Authorization Form.

D. **Document Timeliness.** Required supporting documentation shall not be more than 180 days old, unless otherwise noted, on the date that the Application is submitted. Exceptions include documents not specifically produced for the Application, such as a valid purchase agreement, deed, land title document, and Articles of Incorporation.

E. **Opinions and Certifications.** All certifications, professional opinions, and related documents must be based on an independent investigation into the facts and circumstances regarding the proposed Project, in the form specified by IFA, and made under penalty of perjury.

F. **Local Jurisdiction Notification.** The Applicant shall supply the contact information of the Chief Executive Officer of the Local Jurisdiction.

G. **Application Deficiency Period.** During the Application deficiency review, IFA may request additional information on the Application through a deficiency report sent via email through the online Application. The Applicant will have a period of time determined solely by IFA (Application Deficiency Period) to remedy all deficiency items. Changes made by the Applicant that were not recommended by IFA and changes that improve the scores shall not be allowed. IFA may adjust the underwriting and/or scoring, if applicable. IFA may contact the Applicant in other ways to clarify information contained in the Application.

H. **Scoring Determination.** IFA shall make the final determination of each Applicant's score.

I. **Joint Review.** IFA may conduct joint reviews with any other party. IFA may contact other sources to obtain information regarding the materials contained in the Application.

2.7 PUBLIC INFORMATION. At the conclusion of the selection process, the contents of all Applications will be in the public domain and be public records available for review by interested parties, unless, at the time of submitting the application, the Applicant properly requests that specific parts of the Application be treated as confidential AND the information is confidential under Iowa or other applicable law. IFA's release of public records is governed by Iowa Code Chapter 22. Applicants are encouraged to familiarize themselves with Chapter 22 before submitting an Application. IFA will make records available as required to comply with Chapter 22 or other applicable law.

Documents that contain tax identification numbers are automatically confidential records and will be withheld from public inspection even without a request for confidential treatment.

A. **Confidential Request.** An Applicant who desires confidential treatment of information must contact IFA staff prior to requesting confidential treatment or submitting an Application for which confidential treatment is requested. Applicants must contact IFA staff at least 20 business days prior to the Application submission due date. Failure to make the request may result in the complete Application being treated as a public record. Any request for confidential treatment must (1) enumerate the specific grounds in Iowa Code Chapter 22 or other applicable law that supports treatment of the material as confidential, (2) provide adequate justification as to why the material should be maintained in confidence, (3) explain why disclosure of the material would not be in the best interest of the public, and (4) set forth the name, address, telephone, and e-mail for the person authorized by Applicant to respond to inquiries by IFA concerning the confidential status of such material. Requests to maintain an entire Application as confidential will be rejected.

B. **Release.** If the Applicant fails to comply with the request process set forth herein, if Applicant's request for confidentiality is unreasonable or inconsistent with applicable laws, or if Applicant rescinds its request for confidential treatment, IFA may release such information or material with or without providing advance notice to Applicant and with or without affording Applicant the opportunity to obtain an order restraining its release from a court possessing competent jurisdiction.

C. **Waiver.** The Applicant's failure to request confidential treatment of material will be deemed a waiver of any right to confidentiality the Applicant may have had.

SECTION 3. ELIGIBILITY

3.1 LEGAL OWNERSHIP ENTITY. This Ownership Entity shall be formed prior to Application submission and shall be a single-asset entity to which Tax Credits will be awarded. All members, managers, partners, and officers of all entities of the Ownership Entity shall be disclosed in an organizational chart and in the Application. The Ownership Entity shall waive the right to a qualified contract in accordance with Section 42(h)(6)(F).

3.2 QUALIFIED DEVELOPMENT TEAM. The Application shall identify all members of the Qualified Development Team (QDT) and Affiliates. The Developer/Co-Developer (Developer), General Partner/Managing Member (GP/MM), and Affiliates thereof, may not change between Tax Credit reservation and issuance of the IRS Form 8609.

A. **Qualifying Entity.** At least one Developer or General Partner or Managing Member, or affiliates thereof, of the Ownership Entity shall be a Qualifying Entity and meet the following requirements:

1. **Developer.** The Developer or an affiliate thereof shall have been listed in an awarded Tax Credit Application as a Developer (may be a joint venture) and a Developer or affiliate thereof is currently serving as a GP/MM or sole shareholder/member of the GP/MM of the legal Ownership Entity for at least one Tax Credit Project that has received an IRS Form 8609 prior to the Application submission due date. As the Qualifying Entity, the Developer shall receive a combined total of at least 50% of the total Developer and consultant fee for the Project.
2. **General Partner/Managing Member.** The GP/MM or an affiliate thereof with at least 50% ownership of the GP/MM of the Ownership Entity of the Project shall have been listed in an awarded Tax Credit Application as a GP/MM, affiliate thereof, or member/manager thereof, and be currently serving as the GP/MM or affiliate thereof of the legal Ownership Entity for at least one Tax Credit Project that has received an IRS Form 8609 prior to the Application submission due date.

B. **Qualified Development Team Members.** The Application must identify the following QDT Members, if applicable:

- Developer/Co-Developer
- General Partner/Managing Member
- Syndicator or Direct Investor
- Special Limited Partner
- Management Company
- Bond Counsel
- Architect
- Energy Consultant
- Tax Attorney
- Tax Accountant
- Contractor
- Engineer
- Development Consultant

C. **New Developer and General Partner/Managing Member to Iowa.** A Developer or GP/MM with no prior Tax Credit awards or with a prior 4% Tax Credit award without an issued 4% IRS Form 8609 in Iowa shall be eligible as listed below. An individual or entity with at least 50% ownership of the GP/MM of the Ownership Entity of the Project or Developer of the Project who has received a 4% Tax Credit award in Iowa and been issued a 4% IRS Form 8609 in Iowa will not be considered a New Developer or New GP/MM. Developers or GP/MMs with experience inside or outside the State of Iowa or experience only in 9% Tax Credits shall be considered New Developers or GP/MMs to Iowa and be eligible pursuant to the chart below.

Developer or GP/MM with no prior 4% Tax Credit Award in any state	Eligible for up to one 4% Tax Credit award in 2025 and shall not be eligible for a second award in any team member role until the Project is issued a 4% IRS Form 8609.
Developer or GP/MM with prior 4% Tax Credit Award in Iowa, but no issued 4% IRS Form 8609	Not eligible for an additional Tax Credit award until the Project awarded Tax Credits in Iowa is issued a 4% IRS Form 8609.

D. **Direct Investor.** A direct investor shall have a Tax Credit asset management department with at least 3 years' experience.

E. **Management Company.** The management company shall have at least 3 years of Tax Credit management experience and is currently managing at least 3 Tax Credit Properties.

F. **Architect.** The Architect, and not just the architectural firm, must be duly licensed to do business in Iowa.

G. **Energy Consultant.** The Energy Consultant shall be an independent Residential Energy Services Network (RESNET) certified individual or a licensed engineer capable of determining applicable building performance standards and ensuring conformance to relevant code requirements.

H. **Development Consultant.** A copy of the executed Development Consultant Agreement shall be submitted in the Application.

3.3 INELIGIBILITY. Any QDT member or Affiliates thereof may be deemed ineligible by the Director to participate in the Tax Credit Program for the following:

A. Evidence of involvement in a financial crime or crime related to dishonesty.

B. Evidence of involvement in a crime or violation of laws or regulations, including, but not limited to, laws and regulations related to the development or management of housing, taxes, public health, safety (including workplace safety), environmental laws, or antitrust laws.

C. Delinquency in the payment of state or local taxes or other substantial noncompliance with Iowa tax law.

D. Making misrepresentation or providing materially false information in an application.

E. Allowing an affordable rental housing property to enter into foreclosure.

F. Exiting a Tax Credit Ownership Entity voluntarily or involuntarily.

G. Being suspended, debarred, or otherwise excluded from doing business with any federal housing program or pursuant to Iowa Code sections 15.106E or 16.5E.

H. Not being in good standing with any affordable rental housing program administrator, state agency, or local authority.

I. A history of lawsuits which demonstrate conduct that is detrimental to the rights and needs of tenants or which would be a violation of existing Tax Credit requirements.

J. Having been issued an IRS Form 8823 or the equivalent State-Issued uncorrected notice of noncompliance.

K. A history of repeated or numerous Tax Credit allocation or compliance issues, even if such issues have not resulted in an uncorrected IRS Form 8823.

L. Has returned a full credit Allocation or has failed to comply with a Carryover allocation.

3.4 SITE REQUIREMENTS. The proposed Project shall be in an incorporated city at Application submission. Applications shall not contain or propose alternate sites. The Applicant shall be ready to proceed with the Project by documenting site control and site suitability.

A. **Zoning.** 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. This includes any special use permits or parking variances required by the proposed Project. The city zoning department shall verify whether the official plat is properly zoned. The Applicant shall provide site plans to the city that show the Project will have:

   1. The proper number of parking stalls.
   2. Direct contiguous access to a publicly dedicated paved road.
   3. Any legal easement(s) necessary to not be landlocked; and
   4. Right of ways, if applicable.
   5. Utility connections.

B. **Scattered Sites.** The Application shall reflect the total of all sites as well as separate site-specific exhibits for each site included in the Project. A Scattered Site is a Project where multiple buildings with the same occupancy type and are not located in proximity to one another but are owned by the same Ownership Entity and financed under the same agreement(s). For Scattered Site Projects, all Units shall be qualified Tax Credit Units.

C. **Submission of Site Characteristics.** The site shall be suitable for the proposed Project and shall not include excess acreage unnecessary for the construction and use of the Project.

   The Applicant shall provide:

   1. A narrative of the current use of the Property, all adjacent Property land uses, and the surrounding neighborhood.
   2. Labeled colored photographs (or color copies) of the proposed Property and all adjacent properties.
   3. A clear map or an aerial photo identifying the exact location of the Project site; and
   4. A plat map of the site or proposed replat of the site.

D. **Detrimental Site Characteristics.** The Applicant shall not change the site location. If the site(s) includes any detrimental characteristics, the Applicant shall provide a remediation plan and budget, subject to IFA's approval, to make the site suitable for the Project.

   IFA may reject sites:

   1. Located within one-half mile of storage areas for hazardous or noxious materials, sewage treatment plants or other solid waste facilities, businesses or equipment producing foul odors or excessive noise, or the site is a prior storage area for hazardous or noxious materials, sewage, or other solid or liquid waste.
   2. Where the slope/terrain is not suitable for a Project based on extensive earth removal/replacement required for development.
   3. Where there are obvious physical barriers to the Project.

4. Located within one-half mile of a sanitary landfill or sites that were previously used as a sanitary landfill.
5. Located within a flood hazard area, 100-year flood zone or a 500-year flood zone as determined by the Iowa Department of Natural Resources, a FEMA map, or a FIRM map.
6. Located within 500 feet of an airport runway clear zone or accident potential zone.
7. That are landlocked.
8. That are native prairie land or designated wetlands.
9. Within 300 feet of an electrical power substation, natural gas substation, or similar substation; or that are otherwise unsuitable as a home for Tax Credit households as determined by IFA.

E. **Site Control.** The Application must demonstrate the Applicant has site control by providing executed documents described below.

1. **Evidence of Site Control.**
   The evidence shown below must be binding on the contractor/lessor/optionor of the Property (i.e. there must be no conditions for the termination within the sole discretion of the contractor/lessor/optionor, and the evidence must provide that the contractor/lessor/optionor cannot unilaterally withdraw, revoke, or rescind the obligation to the sale or lease of the Property to the Applicant unless the Applicant is in default under the contract).
   a. The Applicant holds sole fee simple title to the Property on which the Project will be located by a properly executed and recorded warranty deed; or
   b. The Applicant has an executed and exclusive purchase option or contract with the fee simple owner of the Property, not with a third party that holds a purchase option or contract with the fee simple owner, that is valid for nine months following the date of the Application due date; or
   c. The Applicant has an executed lease or an option on a lease with the fee simple owner of the Property, not with a third party that holds a purchase option, contract, lease, or option on a lease with the fee simple owner, which has a term not less than 35 years. If the Applicant is purchasing or leasing parking space from a unit of local government, a project specific resolution would suffice.
2. **Requirements for Site Control.**
   a. There shall be a common ownership between all Units and buildings within a single Project for the duration of the Compliance Period and the Extended Use Period.
   b. The Applicant shall provide the location of existing and proposed easements on the site, the most current real estate tax assessment, and documentation that the Project meets or exceeds the City requirements for parking (unless subject to an exemption).

3.5 PROJECT REQUIREMENTS.

A. **Applicable Percentage.** The Applicable Percentage for each building is established at either the month in which the building is Placed-in-Service, or at the Ownership Entity's election, the month in which the bonds are issued. If the latter is desired, the election statement shall be signed by the Ownership Entity, notarized, and submitted to IFA before the close of the fifth calendar day following the month in which the bonds are issued.

B. **Qualified Low-Income Housing Project.** The Applicant shall certify that the Project as proposed is a Qualified Low-Income Housing Project as defined in IRC Section 42(g)(1). IFA may require the Applicant to supply a legal opinion.

C. **Community Service Facility.** A Community Service Facility is a facility meeting the requirements of IRC Section 42(d)(4)(C)(iii) and Revenue Ruling 2003-77.

D. **Minimum Set-Aside Elections.** The Applicant shall make a minimum set-aside election of income and rent levels from the options listed below. Any Owner election made in regard to the minimum set-aside election requirement for a qualified low-income housing project under IRC Section 42(g) cannot be changed once made in the initial submitted Application. If a Project has an existing LURA, the minimum set-aside election shall remain the same.

1. **20-50 Test.** At a minimum, 20% or more of the residential Units in a Project are both rent-restricted and occupied by individuals whose income is 50% or less of AMI; or
2. **40-60 Test.** At a minimum, 40% or more of the residential Units in a Project are both rent-restricted and occupied by individuals whose income is 60% or less of AMI; or
3. **Average Income Test.** At a minimum, 40% or more of the residential Units in a Project serve households earning as much as 80% AMI, as long as the average income/rent limit in the property is 60% or less of AMI. The Average Income Test is not available for Scattered Site Projects, Projects with Market Rate units, or a Project with a Federal Project Based Rental Assistance Contract.

E. **Senior Projects Standards.** Senior Projects are not allowed anything greater than 2 bedrooms per Unit. If layered with an existing Federal Program, the senior occupancy restrictions for the Federal Contract shall apply.

F. **Units.** All Tax Credit Units shall be evenly distributed in terms of location and number of bedrooms throughout the Project, be of comparable quality, and offer a range of sizes and number of bedrooms to any unrestricted Units.

G. **Market Rate Standards**. Market rate single family homes shall not be allowed in any Project.

H. **Acquisition/Rehab**

1. **Capital Needs Assessment (CNA).** Acquisition/Rehab or Rehab Project Applications shall include a complete Capital Needs Assessment. The CNA shall be prepared by a third party that regularly provides CNAs as a basic or core service. The third party may be a member of the Qualified Development Team with prior approval by IFA but may not be the Ownership Entity or Developer. The CNA shall assess the rehabilitation needs of each existing structure, including:
   a. A site visit and physical inspection of the interior and exterior of Units and structures.
   b. An interview with on-site property management and maintenance personnel to inquire about past repairs/ improvements, pending repairs, and existing or chronic physical deficiencies.
   c. The presence of hazardous materials.
   d. A detailed opinion as to the proposed budget for recommended improvements.
   e. Identify critical building systems or components that have reached or exceeded their expected useful lives.

f. A projection of recurring probable expenditures for significant systems and components impacting use and tenancy, which are not considered operation or maintenance expenses, to determine the appropriate replacement reserve deposits on a per Unit per annual basis.

g. Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, and gas and electric utilities and lines.

h. Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, stairs, and drainage.

i. Interiors, including Unit and common area finishes (carpeting, vinyl tile, plaster walls, paint conditions, etc.), Unit kitchen finishes, cabinets and appliances, Unit bathroom finishes and fixtures, and common area lobbies and corridors.

j. Mechanical and electrical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, security, low voltage systems, and elevators.

The CNA shall conform to standards outlined in ASTM E 2018-08, Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process. An assessment done for and accepted by USDA Rural Development is acceptable.

2. **Existing Tax Credit Project Resyndication.** A Project is eligible to apply for Tax Credits following the close of the initial 15-year Compliance Period related to the most recent tax credit award made to a Project.

3. **Rehabilitation Expenditure.** The Applicant shall provide information regarding rehabilitation expenditures for each building. The information shall address how the Applicant will meet all of the building standards and minimum development characteristics. The Applicant shall identify, with respect to each building as required by the Application, the rehabilitation expenditures as defined in IRC Section 42(e)(2) that shall be allocable to or substantially benefit the Low-Income Units in such building. Each building in the Project must meet the greater of the IRS minimum expenditures requirement set forth in Section 42(e)(3) or a $35,000 rehabilitation expenditure limited to hard construction costs per Low-Income Unit.

4. **Eligibility for Acquisition Credits.** Project must meet all IRS requirements for acquisition credits including the 10 Year Rule and Related Parties Rule in IRC Section 42(d)(2).

3.6 DISPLACEMENT OF RESIDENTIAL TENANTS. IFA may reject any Application that fails to minimize permanent displacement of tenants and/or provide an adequate relocation plan. The Application must include a formal relocation plan if the Project scope requires any form of temporary or permanent relocation of existing tenants. The plan shall provide an overview of the need for relocation, a proposed timeline, an estimated budget, and other information as requested in the Application. If the project has a federal funding source, the most restrictive relocation plan requirements shall apply.

SECTION 4. APPLICATION UNDERWRITING STANDARDS

IFA may adjust the amount of Tax Credits based upon the underwriting. All Projects shall meet underwriting standards.

4.1 PROJECT DEVELOPMENT COSTS

A. **Developer Fees.** The total developer fees, including overhead/profit, and development consultant fees, shall not exceed 18%. The Developer Fee is calculated as a percentage of Total Project Costs minus land, existing structures, Developer's Fee, Developer's overhead and profit, Consultant fees, and Project reserves. Developer Fee is not permitted for acquisition costs.

B. **Builder and General Contractor Fees.** Builder and general contractor fees will be limited to a total of 15% of the hard construction costs (site improvements or work, new construction, rehabilitation, accessory buildings, garages, general requirements, construction contingency, asbestos abatement, lead-based paint measures, builder's overhead, builder's profit, builder bond fee, architect's fees, engineering fees, and other fees).

C. **Professional and Other Fees.** IFA reserves the right to limit professional fees and other fees related to services rendered to the Project.

D. **Operating Reserve.** The operating reserve will be at least 6 months of debt service, operating expenses, and real estate taxes. The operating reserve shall be fully funded within 6 months from the date IFA sent the IRS Form 8609 to the Ownership Entity. The operating reserves may be funded with an irrevocable letter of credit. If a letter of credit is used, the proceeds shall not be included in the Project costs. The fees associated with obtaining the letter of credit may be included in Project costs. Operating reserves are required to stay with the Project at the time of investor exit or sale of the property.

E. **Appraisals.** An appraisal by an active Member Appraisal Institute (MAI)-certified appraiser who is not a related party at the Applicant's expense is required for the following reasons unless otherwise determined by IFA's Tax Credit Director:

   1. For land or buildings that are acquired from a party with an Identity of Interest.
   2. For Acquisition/Rehab Projects requesting acquisition credits.
   3. During the Application review, if IFA may determine that cause exists to question the fair market value of the land and/or buildings being acquired and require an appraisal.

   An appraisal is not required when land and buildings acquired for $1.00 with an Identity of Interest.

F. **Project Costs Not Allowed in Eligible Basis**. The following Project costs are not allowed in Eligible Basis:

   1. **Existing Reserve Accounts.** Cash from Project reserve accounts transferred to the Ownership Entity with the acquisition of a Project shall not be allowed in eligible basis.
   2. **Construction and Permanent Lender Fees.** Construction loan fees if the construction and permanent lender are the same.
   3. **Paved Roads.** The cost of construction of a de minimis paved road on public property may be included in the Project costs, as determined by IFA. The cost of construction of an extensive paved road on public property shall not be included in the Project costs.
   4. **Off-Site Utilities.** Costs that are not normal connections or extensions to existing utilities shall not be included in the Project costs.
   5. **Tenant Paid Amenities.** Garages, storage units, or other amenities where the Ownership Entity is charging tenants for use, except when part of normal rent for all of Units.
   6. **Ineligible Predevelopment Costs.** Financing costs on land acquisition or other costs that are not allowable in Eligible Basis.

4.2 PROJECT FUNDING SOURCES.

A. **Tax Credit Investor Letter of Intent.** Applicant shall provide a letter of intent from the investor for the Tax Credits on the company letterhead with the price and approximate equity amount.

B. **Financing Letters of Intent.** Applicant shall provide a letter of intent from each funding source for construction and permanent financing on the institution's letterhead. The letter for loans shall state the amount of the loan, interest rate, term, amortization period (minimum 30 years required for first mortgage debt), fees, prepayment penalties, anticipated security interest in the Property, tax-exempt funding, and lien position. The letter for all other sources (including any existing debt to be assumed, grants, loans, tax credits, etc.) shall state the value of the funding, the purpose the funds may be used for, and any time limitations. Financing letters of intent must be valid through six months after the Application submission due date.

C. **Deferred Developer Fees.** Deferred Developer fees cannot exceed 65% of the total Developer fee, and the Application must demonstrate the full amount being paid within 15 years. The deferred Developer fee shall be paid from the net cash flow and not be calculated into the minimum Debt Service Coverage Ratio (DSCR).

D. **Federal and State Historic Tax Credits.** An approved Part 1 for both Federal Historic Tax Credits and State Historic Tax Credits from the State Historic Preservation Office must be provided. If the property is a single building listed in the National Register of Historic Places and it is already a "certified historic structure," and a Part 1 is not needed, documentation the property is listed on the National Registry must be provided. A Part 1 is required for all other properties, including individually listed properties that have more than one building. Projects with historic significance shall use equity invested for the maximum amount available of State and Federal Historic Tax Credits as proposed or awarded by the appropriate allocating agency as a funding source.

E. **State HOME and National Housing Trust Fund (NHTF).** Neither State HOME or NHTF are allowed to be used on 4% Tax Credit Projects.

4.3 PROJECT OPERATING COSTS AND CASH FLOW.

A. **Operating Expenses.** Operating expenses are based on thresholds provided by the Tax Credit equity investor partner and subject to IFA review.

B. **Escalators.** IFA will underwrite Projects with income escalating at 2% and operating expenses escalating at 3%. Management fees will escalate at the same rate as income.

C. **Vacancy Rate Standards.** IFA will underwrite Projects at a 7% vacancy rate unless otherwise recommended by a lender or investor.

D. **Debt Service Coverage Ratio (DSCR) Standards.** The Application may not show DSCR as less than 1.15 in any year. IFA will evaluate high DSCR and cash flow to determine if the requested resources are necessary for sustainability.

E. **Replacement Reserve.** All Family Projects shall budget replacement reserves of $350 per Unit per year, escalating at the same rate as operating expenses, or a flat $435 per unit per year. All Older Persons Projects shall budget replacement reserves of $300 per Unit per year, escalating at the same rate as operating expenses or a flat $375 per unit per year. Replacement reserves are required to stay with the Project at the time of investor exit or sale of the property.

F. **Subsidy Layering Review.** IFA shall complete a subsidy layering review for each Project that receives HUD housing assistance (other than CDBG).

G. **Basis Boost.** The Code allows a boost in the Eligible Basis of up to 30% for Buildings located in a QCT or DDA as defined by HUD. Refer to Appendix C - QCTs, DDAs, and Rural Counties.

H. **Tax Credit Calculation.** IFA shall determine the amount of Tax Credits necessary for the financial feasibility of the Project through the information received in the Application. IFA will utilize the percentage of the limited partnership interest in the Project and equity price in the determination of the Tax Credit amount.

I. **Private Activity Bond Cap Calculation.** IFA shall determine the amount of bond cap necessary for the financial feasibility of the Project through the information received during the Application and bond cap availability.

SECTION 5. SCORING CRITERIA.

IFA shall make the final determination of the Applicant's score. IFA will award points based on the evidence provided in the Application and exhibits. All sites and buildings within the Project must qualify to be eligible to receive points unless specifically stated in the scoring category. The online Application provides a tentative non-binding score based on the submitted information. Scoring determinations made in prior years are not binding on IFA for the current funding round. Scoring exhibits are based on point-in-time data and will not be updated after they are posted on the IFA website, except for Disaster Recovery or administrative corrections.

If a project has an existing Tax Credit Land Use Restrictive Covenants Agreement (LURA), all existing LURA requirements must be maintained.

5.1 READINESS TO PROCEED.

A. **New Construction Projects.** *40 points maximum*

1. **Publicly Accessible Paved Road.** *10 points*
   Project includes access to an existing paved road or construction of a road required for the Project will not delay Project construction and any road construction is concurrent with Project construction.
2. **Utilities.** *10 points*
   All utilities in place at least to the edge of the Project site and appropriately sized for the Project or utility extension will not delay Project construction.
3. **No Federal funds used (grants or loans).** *15 points*
   No Federal funds that would trigger additional Federal cross-cutting measures included.
4. **Site Platting.** *5 points*
   Site is platted appropriately for the Project.

B. **Adaptive Reuse Projects.** *40 points maximum*

1. **Utilities.** *10 points*
   All utilities in place at least to the edge of the Project site, are adequately sized, and no upgrades required for the Project or any utility extension or upgrade will not delay Project construction.
2. **Project has a National Park Service Part II approved application and State and Federal Historic Tax Credits are included in the application funding sources.** *10 points*

3. **Federal 106 Review in process if Federal funds used.** *10 points*
   Review has been submitted to SHPO.
4. **Site Platting.** *10 points*
   Site is platted appropriately for the Project.

C. **Preservation (Acq/Rehab Projects).** *40 points maximum*
Projects that may qualify for points under 2 and 3 below must make an election for which category to request points.

1. **Quality Capital Needs Assessment with clearly defined Scope of Work.** *10 points**
   The CNA considers all aspects of the current building condition along with a schedule of future capital needs and compares to a well outlined scope of work that enables the project to provide refreshed and updated building systems and amenities to extend the useful life and marketability of the property.
2. **Existing Federal Housing Tax Credit Projects – Resyndication.** *10 points maximum*
   Existing Federal Housing Tax Credit Projects submitting a 4% Tax Credit Application for resyndication at the end of year 25 of the Compliance Period/Extended Use Period. *10 points*

   Existing Federal Housing Tax Credit Projects submitting a 4% Tax Credit Application for resyndication between the end of year 20 and the end of year 24 of the Compliance Period/Extended Use Period. *5 points*
3. **Federal Project-Based Rental Assistance Contract - HUD or Rural Development.** *10 points maximum*

   75% of the total Project Units covered by the federal project-based rental assistance contract and the transfer process has been initiated with and confirmed by regional HUD or RD. A Comfort Letter acknowledging the Project will be part of a 4% Tax Credit Application and signed by the HUD or RD Regional Field Office Director is required at the time of Application submission. *10 points*

   At least 50% of the total Project Units are covered by the federal project based rental assistance contract and the contract with HUD or RD is expiring within three years of Application submission due date. *10 points*
4. **No Federal funds used (grants or loans).** *10 points*
   No Federal funds that would trigger additional Federal cross-cutting measures included.
5. **Relocation Plan prioritizes tenants.** *10 points**
   Well thought out plan with appropriate budget that addresses the health and safety for tenant relocation during construction.

*Revised on 6/27/2025 from the Final Second Amended 2025 4% QAP approved by the IFA Board on 6/4/2025

5.2 LOCATION.

A. **Disaster Recovery** *0 to 5 points*

Projects located in a county for which the Governor has issued a state major disaster proclamation with an Iowa Individual Assistance Grant Program (IIAGP) activation, or a federal major disaster declaration has been received that included federal individual assistance may be eligible for points. IFA may activate Disaster Recovery scoring consideration for one or more counties or a more narrowly defined geographic area, such as a city or targeted census tract(s), to address specific housing recovery needs. Refer to Appendix K – Disaster Recovery.

B. **4% Tax Credit Unit Density.** *0 to 5 points*

Projects located in a census tract that has a low percentage of awarded 4% Tax Credit Units compared to the total number of households as shown in Appendix D - 4% Tax Credit Unit Density.

C. **Location to Services.** The Location to Services scoring section is valued at a maximum of 15 points. The Applicant will provide preliminary scoring and supporting information for each of the Project's selected categories. The supporting information will show driving distance from Project entrance to services using Google Maps if an address has not been assigned. If a Scattered Site Project, each site must be eligible for points.

	5 points	3 points
Grocery Store Specialty food store does not qualify as a grocery store	Grocery store located within ½ mile driving distance of Project	Grocery store located within 1 mile driving distance of Project
Daycare/School (family Projects only)	Licensed daycare or K-12 public school located within 1 mile driving distance of Project	Licensed daycare or K-12 public school located within 2 miles driving distance of Project
Bank/Credit Union	Bank or credit union located within 1 mile driving distance of Project	Bank or credit union located within 2 miles driving distance of Project
Senior Center (senior Projects only)	Senior Center located within 1 mile driving distance of Project	Senior Center located within 2 miles driving distance of Project
Convenience store/Dollar store	Convenience store or dollar store located within 1 mile driving distance of Project	Convenience store or dollar store located within 2 miles driving distance of Project
Public Library	Public Library located within 1 mile driving distance of Project	Public Library located within 2 miles driving distance of Project

D. **Public Transportation.** *0 to 5 points*

Within ¼ mile walking distance from a fixed route service that is available M-F or, in any city that does not have a fixed route service, a dial-a-ride service is available M-F. *5 points*

Within ½ mile walking distance from a fixed route service that is available at least M-F. *3 points*

5.3 TAX CREDIT EXPERIENCE. *0 to 6 points*

A. Prior to Application submission, the Developer or an affiliate thereof or the General Partner/Managing Member or an affiliate thereof of the Ownership Entity of this Project has served as the Developer or a General Partner/Managing Member or an affiliate thereof of the Ownership Entity for at least two 4% Tax Credit Projects which have received an IRS Form 8609 in the 5 years immediately preceding the Application submission due date. *6 points*

B. Prior to Application submission, the Developer or an affiliate thereof or the General Partner/Managing Member or an affiliate thereof of the Ownership Entity of this Project has served as the Developer or a General Partner/Managing Member or an affiliate thereof of the Ownership Entity for at least one 4% Tax Credit Project and one 9% Tax Credit Project which have received an IRS Form 8609 in the 5 years immediately preceding the Application submission due date. *4 points*

5.4 TAX CREDIT PERFORMANCE.

A. Currently open Iowa 4% Tax Credit Projects that have not had all buildings placed-in-service within 24 months from bond issuance date. *-5 points*

B. More than two 4% Tax Credit Projects in Iowa or a total of four Tax Credit Projects in Iowa open at the time of Application submission. A Project is considered open once it receives a Tax Credit Reservation and closed upon IRS Form 8609 issuance. *-5 points*

C. Requesting a material change for awarded Iowa projects within the last 2 years. *-5 points*

5.5 MARKET APPEAL. *18 points maximum*

All amenities shall be provided at no cost to the tenants. If a Scattered Site project, the selected amenities shall be provided at all sites.

A. **Storage Units. Must select either In Project or In-Unit:** *3 points*
A dedicated and lockable (if outside the Unit) structurally strong and secure, floor-to-ceiling room that is at least 20 square feet. The storage unit shall be in addition to the required bedroom, linen, and coat closets and maintained in compliance with the requirements for fire safety and the 2020 NEC and the International Fire Code (IFC). Prefabricated steel mesh enclosures designed as storage units are acceptable.

B. **Kitchen Pantry:** *3 points*
2 ft. wide full-height cabinet or closet with minimum 5 shelves in every Unit.

C. **Laundry (Acq/Rehab only):** *5 points*
Acquisition/Rehab Projects that add or replace in-unit washers and dryers to all Units during the rehabilitation.

D. **Built-In Dishwashers (Acq/Rehab only):** *3 points*
Acquisition/Rehab Projects without built-in dishwashers that add built-in dishwashers to all Units during rehabilitation.

E. **Patio/Balcony:** *5 points*
Each Unit shall include a patio or balcony. Fully accessible Units must have a fully accessible patio or balcony.

F. **Exterior Materials:** *5 points*
Minimum of 30% of the gross exterior (excluding window and door areas), of 4" nominal brick, 4" nominal stone, stucco over masonry, architectural CMU block, or pre-cast concrete wall panels. The remaining 70% shall be constructed of 100% fiber cement board siding or engineered wood siding with quality standards similar to Smartside. The buildings' soffit and fascia shall be pre-finished aluminum, fiber cement board, or engineered wood siding with quality standards similar to Smartside. Attics shall be vented, including soffits if applicable.

G. **Walk-In Closets:** *3 points*
Available in at least 1 bedroom of every Unit including studio Units.

H. **Tenant Dedicated Common Space:** *3 points*
Project must define use in application.

I. **National Green Building Standards (NGBS) Silver:** *5 points*
Projects meeting the 2020 NGBS Silver standard.*s*

J. **Full Replacement of Cabinets and Appliances in Kitchen (Acq/Rehab only):** *5 points*
All Units have a full replacement of all cabinets and all appliances in kitchen.

K. **Full Replacement of Shower/Tub, Enclosure, Vanity, and Toilet (Acq/Rehab only):** *5 points*
All Units have a full replacement of shower/bathtub (if applicable), enclosure, vanity, and toilet in the primary bathroom.*s*

L. **Fenced Dog Walking Area (New Construction or Adaptive Reuse only):** *5 points*
Minimum 1,000 square feet with waste area. If a Scattered Site Project, this must be provided at all sites to be eligible for points.

M. **Fitness Center (New Construction or Adaptive Reuse only):** *5 points*
An exercise room available 24 hours a day, with commercial-grade cardiovascular health, strength training, and flexibility equipment. If a Scattered Site Project, this must be provided at all sites to be eligible for points.

5.6 OTHER.

A. **Iowa Title Guaranty.** *2 points*
The Applicant shall obtain a Final Title Guaranty Owner Certificate on the real estate of the Project from IFA's Iowa Title Guaranty Division prior to submitting the IRS Form 8609 package. The Ownership Entity shall obtain, at a minimum, a Final Title Guaranty Certificate with an amount of coverage that is not less than the value of the land and pre-existing improvements, if any, combined with the total hard construction costs of the Project.

SECTION 6. SELECTION CRITERIA AND AWARD PROCESS.

6.1 TAX CREDIT DISBURSEMENT AND SELECTION. IFA reserves the right to limit 4% Tax Credit awards made under this QAP based on the availability of private activity bond cap and the distribution of Projects across the state. IFA shall evaluate applications using the set-aside and scoring criteria. IFA may decline to reserve Tax Credits to any Project, regardless of the score.

6.2 PRIORITIZATION OF REVIEW. Applications will be scored and ranked within both of the set-asides in the order listed below. If an Applicant is not awarded within the Rural Set-Aside, the Applicant will be considered in the General Set-Aside. In the event that there is not a qualified Project to fill the Rural Set-Aside, the remaining balance will be transferred to the General Set-Aside.

A. Rural Set-Aside.
B. General Set-Aside.

6.3 TIEBREAKERS. In the event that the final scores of more than one Application are identical, IFA will use the following tiebreakers:

A. Project in a community that has not received a reservation of 4% Tax Credits for the longest period of time (years). A full return of a Tax Credit award in a community will not count as an Award.
B. Project with a Developer, a GP/MM of the Ownership Entity, or any other person or entity IFA determines in its sole discretion is involved in the Project and has not received an award of 4% Tax Credits in Iowa for the longest period of time (per date of 42(m) issuance letter) within the last 10 years. If a Developer returns a Tax Credit award in good standing, that Tax Credit award will not count as an award for this category. New Developers to Iowa are excluded from this tiebreaker.
C. An Entire Project located in a current QCT that will expire at the end of the calendar year that applies to this QAP.
D. Project using the least amount of bond cap per Unit.
E. IFA Board Discretion.

6.4 DISCRETION BY THE BOARD. The Board may accept, reject, or make changes to the award recommendations.

6.5 ACCEPTANCE OF TAX CREDIT RESERVATION. The acceptance of the reservation and reservation fee shall be due no later than the date stated in the Section 42(m) letter.

6.6 INFORMAL APPEALS.

A. **Notice of Appeal.** Any Applicant requesting an appeal shall submit written notice of appeal to housingtaxcredits@iowafinance.com within 7 days of the Tax Credit Reservation Date. The notice of appeal shall state the grounds upon which the Applicant challenges IFA's Tax Credit awards.
B. **Procedures for Appeal.** Within 21 days of the Tax Credit Reservation Date, the Applicant shall file its appeal by submitting a written document to housingtaxcredits@iowafinance.com stating the relevant facts supporting its position. IFA staff may submit to the Director a written document in response to the Applicant's appeal ("IFA response"). IFA staff will provide a copy of the IFA response to the Applicant.
C. **Decision.** Within 30 days of the filing of the appeal as set forth in above in Procedures for Appeal, the Director shall consider and rule on the appeal and will notify the Applicant in writing of the decision.
D. **Final Agency Action.** The decision is final except as provided for in Iowa Code sections 17A.19 to 17A.20.

6.7 REMEDIES ON APPEAL.

A. If, following the appeal process set forth in Section 6.5, Informal Appeals, an Applicant who did not receive an award is successful in demonstrating that the Applicant should have been awarded Tax Credits based on the criteria established in this QAP, the Director may place the Project on a waiting list for unallocated multifamily private activity bond cap.

B. If a waiting list is established by the Director, it shall expire no more than 90 days after the date of Board approval.

C. Once the waiting list has expired, a Project that has been placed on the waiting list due to a successful appeal shall be awarded 10 points in the next 4% Tax Credit Round. To receive the additional points during the next 4% Tax Credit Round, the Project shall be substantially the same Project that was the subject of the successful appeal. The determination of whether or not the Project is substantially the same Project is at the discretion of IFA.

PART B –
POST RESERVATION REQUIREMENTS

Failure to comply with any provision of this Section may result in revocation of the Tax Credit Reservation, withholding of the IRS Form 8609, or issuance of an IRS Form 8823.

SECTION 7. POST RESERVATION REQUIREMENTS

7.1 IRC SECTION 42(m) LETTER. Once an Application is approved, IFA shall issue an IRC Section 42(m) letter confirming that the Project satisfies the requirements of the QAP and stating the preliminary amount of Tax Credits for the Project.

7.2 CHANGES TO THE APPLICATION. Ownership Entities must submit any proposed Project change after Tax Credit Reservation through the online Application. IFA may approve changes, subject to conditions, or deny changes. Material changes may be considered but shall result in an additional fee and future scoring penalty in a 4% Tax Credit Round if approved. Material changes are changes that, in IFA's sole determination, cause the Project to not be substantially the same as when awarded. This includes but is not limited to redesigns or revisions to the site, design or plans that may require extensive review, consideration for feasibility, or special considerations that may require IFA Board approval.

The following changes are not allowed and subject to loss of Tax Credits and ineligibility:

A. Changes to the Ownership Entity after issuance of the 42(m) letter.
B. Transfers of the Tax Credit Reservation.
C. Changes of the Qualifying Entity on the Qualified Development Team.
D. Changes in Unit mix.
E. Changes that lower the final score of the Project.
F. Changes to the minimum set-aside election.
G. Changes that decrease the applicable fraction per building.

7.3 POST CLOSING SUBMITTAL. The Applicant shall submit evidence of site ownership, final closing documents, appropriate zoning, and all other required documents as listed in the Post Closing Submittal and LURA Issuance Instructions to the online Application within 30 days of Syndicator/Direct Investor closing.

The Project shall be Placed-in-Service no later than 24 months following the date of the bond issuance. IFA may, on a case-by-case basis, allow a Project to exceed the 24-month requirement. All requests to exceed this requirement on a 4% Tax Credit Project shall be considered at IFA's discretion.

7.4 PRIOR TO PLACED-IN-SERVICE DOCUMENTS. As a precondition to receiving IRS Form 8609, the Ownership Entity shall submit the following documents through the online Application at least 120 days prior to the first Unit placing in service. More detail is available in the Application.

A. Affirmative Fair Housing Marketing Plan Package (AFHMP, ads/brochures, tenant selection plan, lease, lease addendums, community rules, VAWA documents).
B. Confirmation that the Project is listed on Iowa's free rental housing locator at www.IowaHousingSearch.org.
C. A commitment to notify PHA of vacancies.

7.5 MARKETABLE TITLE REQUIREMENT. The Ownership Entity shall provide adequate evidence that the Ownership Entity's title in the real estate on which the Project is to be located is a marketable title pursuant to Iowa Land Title Examination Standards, or other applicable law. Adequate evidence of marketable title is demonstrated by either: (1) a title opinion of an attorney authorized to practice law in Iowa showing marketable title in the Ownership Entity; or (2) a certificate issued by the Iowa Title Guaranty Division of IFA showing the Ownership Entity as the guaranteed. In the case of leased land, a copy of the recorded lease shall be provided.

7.6 IRS FORM 8609. After construction is complete, all buildings in a Project have been placed-in-service, and all other requirements of the IRS Form 8609 Application package have been met, a complete IRS Form 8609 Application package shall be submitted through the online Application. Upon approval of the IRS Form 8609 Application by IFA, IFA shall complete Part A of IRS Form 8609 and send it to the Ownership Entity. The Ownership Entity shall complete Part B and return a copy of the fully executed IRS Form 8609 to IFA within 60 days of IFA sending the IFA executed IRS Form 8609. The Owner's completed IRS Form 8609 shall match the terms agreed upon in the LURA. IFA will also re-complete the Due Diligence process prior to the issuance of the IRS Form 8609.

7.7 DESTRUCTION OF A PROJECT PRIOR TO PLACEMENT-IN-SERVICE. If a Project cannot be placed in-service by the applicable federal deadline due to a casualty loss, IFA may allow the Ownership Entity to return the Tax Credits in exchange for a binding commitment by IFA to allocate a future year's Tax Credits in an amount not to exceed the original allocation. This section only covers casualty losses not addressed under Revenue Procedure 2014-49.

7.8 COMPLIANCE. IFA has established procedures for monitoring compliance. Refer to the IFA Compliance Manual and supporting documentation. Any other rent and income restrictions required by other programs shall still apply as applicable.

7.9 COMPLIANCE PERIOD (INITIAL 15-YEAR COMPLIANCE PERIOD). The Compliance Period is the 10-year credit period and additional 5-year period for a total of 15 taxable years, beginning with the first taxable year of the credit period. Any other rent and income restrictions required by other programs shall still apply as applicable.

7.10 EXTENDED USE PERIOD (LONG TERM COMPLIANCE PERIOD). The time frame that begins the first day of the Initial 15-Year Compliance Period, in which the building is a part of a qualified low-income housing Project and ends 15 years after the close of the Initial 15-Year Compliance Period, or the date specified by IFA in the LURA. Any other rent and income restrictions required by other programs shall still apply as applicable.

SECTION 8: TERMS AND CONDITIONS.

The following terms and conditions apply to all Applicants and Projects that receive a reservation of 4% Tax Credits and IRS Form 8609 Allocation.

IFA will rely on the following when interpreting the requirements of the QAP: (1) the QAP, including the Tax Credit Application, appendices, exhibits, instructions, and any incorporated materials; (2) IFA's questions and answers for the QAP; and (3) IFA's past practice. IFA may, at its discretion, conduct due diligence to verify information provided by the Applicant. An Applicant's interpretation of the QAP and its requirements is immaterial.

8.1 DOCUMENTS INCORPORATED BY REFERENCE. The items described in this Section are incorporated by reference in the QAP.

A. 26 USC Section 42 and 26 USC Section 142 as amended and the related Treasury regulations in effect as of the date this QAP is adopted by the Board.

B. Iowa Code Sections 7C and 16.35 and the rules governing Sections 7C and 16.35.

C. IFA Compliance Manual.

D. In the case of any inconsistency or conflict between the items listed in this Section, conflicts shall be resolved as follows:

   1. First by 26 USC Section 42, 26 USC Section 142, and the related Treasury regulations,
   2. Second by Iowa Code Sections 7C,16.35, and the rules governing Section 7C and Section 16.35; and
   3. Third by the QAP.

8.2 BINDING OBLIGATIONS. The representations made in the Application bind the Applicant and shall become a contractual obligation of the Developer and the Ownership Entity and any Entity the Developer or the Ownership Entity is representing in the presentation of the Application or a successor in interest in the event Tax Credits are awarded to a proposed Project. The contractual obligation constitutes the agreement between the parties, as represented by the Developer or Ownership Entity, within the following documents: the QAP, Application (with any permitted amendments), and any other agreements executed between IFA and the Ownership Entity.

8.3 LAND USE RESTRICTIVE COVENANTS AGREEMENT (LURA). The Project shall be subject to the LURA, which is an agreement between IFA and the Ownership Entity and all its successors in interest. The LURA shall conform to the requirements of IRC Section 42(h), Iowa Code Section 16.35 and the QAP.

8.4 NO REPRESENTATION OR WARRANTY REGARDING QAP. IFA makes no representation or warranty to any Person or Entity as to compliance issues or the feasibility or viability of any Project.

8.5 IFA POLICY ON CIVIL RIGHTS COMPLIANCE. The Applicant and any of its employees, agents, or sub-contractors doing business with IFA understand and agree that it is the responsibility of the Developer, Ownership Entity, and Management Company to adhere to and comply with all federal civil rights legislation, including the Fair Housing Laws, the Americans with Disabilities Act, as well as any state and local civil rights legislation. The Developer and Ownership Entity are responsible for being aware of and complying with all non-discrimination provisions of federal, state, or local law.

8.6 VIOLENCE AGAINST WOMEN ACT (VAWA). The Applicant and any of its employees, agents, or sub-contractors doing business with IFA understand and agree that it is the responsibility of the Developer, Management Company, and Ownership Entity to adhere to and comply with the Violence Against Women Act, including adding the VAWA lease terms provided by the authority to its leases.

PART C – CONSTRUCTION REQUIREMENTS

SECTION 9. PRIOR TO THE INITIATION OF CONSTRUCTION

9.1 CHANGES IN SCOPE. The Ownership Entity shall not make any changes or alterations to the Project (including the site layout, floor plan, elevations, or amenities) from Reservation without IFA's written authorization. This includes changes required by local governments to receive building permits.

9.2 IFA PLAN REVIEW. The Ownership Entity shall submit the initial construction package to IFA upon completion. IFA shall give written approval before the Ownership Entity commences site work or construction. The Initial Construction Package includes:

1. Initial Energy Audit from the Energy Consultant outlining how selected energy targets will be achieved. Audit may include initial preliminary scoring information.
2. Letter from the architect or engineer confirming coordination with the energy consultant and the project's design complies with minimum energy requirements.
3. Final drawings that include civil, architectural, structural, mechanical and electrical drawings.
4. Project manual or specifications including technical details.

9.3 PRECONSTRUCTION MEETING. An IFA representative shall attend a contractor/developer construction meeting at or near the initiation of construction. The Ownership Entity must provide current construction schedule and a copy of the contractor's initial pay application with a schedule of values when executed.

9.4 MINIMUM DEVELOPMENT CHARACTERISTICS – ALL PROJECTS. All construction will use the following minimum development characteristics. Projects with Historic tax credits may request exceptions when recommended by the State Historic Preservation Office (SHPO).

A. **General.**

1. **Construction Warranty.** Provide an enforceable minimum 1 year blanket construction warranty stipulating that the general contractor is responsible to do or have done any and all required warranty repair work, including consequential damages, at its own expense.
2. **No Smoking Policy.** Implement and enforce a "no smoking" policy in all Units and common areas, not including public areas of the exterior grounds.
3. **Community Room.** For senior Projects only, community room must be 20 square feet per unit up to the first 40 units made available exclusively to all tenants and guests of the Project, either in a stand-alone building or incorporated within a residential structure, located entirely on the Property. Does not apply to Scattered Site Projects. Furnishings and room design shall be conducive for those with hearing, vision, and mobility impairments.
4. **Playground.** For family Projects only, an outdoor area provided for children to play in containing 5 to 7 commercial grade play components (an element intended to generate specific opportunities for play, socialization, or learning) that does not include wood. At least 2 must be elevated. Swings, spring riders, water tables, playhouses, slides, and climbers are acceptable; ramps, transfer systems, steps, decks, and roofs are not. The playground must comply with the requirements of the Department of Justice 2010 ADA Standards for Accessible Design. IFA may approve alternatives on a limited case by case basis. Does not apply to Scattered Site Projects.

5. **Sidewalks.** Concrete sidewalks providing access to a city public right-of-way from each entrance door.
6. **Trash Enclosures.** Screened trash removal areas.
7. **Internet Access.** High speed internet wiring for broadband, wireless, or digital subscriber line (DSL) for all Units.
8. **Video Security System.** The security system shall continually record activity at the site as follows: Parts of the site to be covered include parking areas, all building entrances, and the main level of the stairways. The recordings shall be maintained for a minimum of 14 days. Single family or each building in Scattered Site Projects are required to have the Video Security System.

B. **EXTERIOR CONSTRUCTION.**

1. **Exterior Design.** The Project shall have a building design that is appealing and appropriate for the community and neighborhood, including varied facades, rooflines, and exterior materials.
2. **Exterior Siding.** Exterior siding shall be durable and impact resistant. Vinyl does not qualify as durable. Each building's exterior siding shall not be single material texture and color combination exceeding 70% of the siding: brick, fiber cement board siding, or engineered wood siding with quality standards similar to Smartside, and/or nominal, 2" nominal thickness manufactured stone over ¾" stucco, nail on stone panels or metal siding approved by IFA. The exterior siding requirements do not apply to buildings that are 100% brick or stone. The soffit and fascia shall be pre-finished aluminum, fiber cement board, or engineered wood siding with quality standards similar to Smartside. Attics shall be vented, including soffits if applicable.
3. **Main Entrance Areas.** Apartment buildings with common main entrances to the interior shall have a vestibule and be equipped with a remote security and intercom system that connects to each Unit or tenant control entry to common areas. A vestibule is not required to be retrofitted into an Acq/Rehab or Rehab Project if absent from the original design. Single-family, duplex, and townhome/rowhouse Unit main entrances to the exterior shall have a storm door and a covered entry with a minimum depth and width of coverage of 4-feet by 4-feet. This also applies to apartment buildings with open air covered corridors.
4. **Roofs.** Roofs shall have a 30 year full warranty. Flat roofs shall have a minimum 60 mil TPO or EPDM thickness and a 10 year full warranty. Full warranty includes: all labor and materials for the entire roofing system and insurance rider for consequential damage. All reroofing applications shall include the removal of the existing roofing system down to the roof deck.
5. **Unit Doors.** Entry doors to the Unit shall have steel frames that are thermally broken, or metal clad wood frames. Entry doors shall be solid core wood or solid wood panel type, insulated metal, or fiberglass panel, lockset, and deadbolt lock with 1 inch throw. Primary entry door shall have a 180-degree peephole or glass insert. Non-primary entry door may be a sliding patio door.

C. **INTERIOR CONSTRUCTION**

1. **Appliances.** The kitchen shall have a cook top, an oven, a microwave, a cooling/freezing unit, and a sink. Single-bowl sinks shall be minimum 20" x 30". Appliances shall be Energy Star. These requirements do not apply to Single Room Occupancy Units.
2. **Water Conserving Measures.** Toilets, faucet aerators, and showerheads must be high efficiency WaterSense compliant. Dual flush toilets do not qualify.

3. **Cabinetry.** Cabinetry and woodwork shall meet ANSI/AWI standards for Custom Grade Cabinetry and/ have the KCMA A161.1 Quality Certification Seal or demonstrate they meet the KCMA quality standards.
4. **Closet Rods and Shelves.** Closet rods and shelves are required in each bedroom closet in each Unit. For Accessible Units only, the closet shelves and hanger bars shall be easy to adjust to different heights with no tools required with adjustable standards and brackets. Hanger rods shall attach to the shelving and provide continuous slide for hangers between supports. Shelves shall be 12” deep minimum and material vinyl coated steel or similar.
5. **Paints and Primers, Adhesives, Caulks and Sealants.** Paints, primers, adhesives, caulks, and sealants shall comply with Federal regulations applicable to low VOC requirements.
6. **Minimum Bathroom Accessories:**
    - Towel bar(s) within reach of lavatory and tub/shower
    - Toilet paper holder
    - Shower curtain rod (if applicable)
    - Mirror
    - Cabinet with drawers, shelf-space, or medicine storage cabinet
7. **Carpeting.** If installed, carpets shall be 100% nylon or nylon/olefin blend or triexta. Fully Accessible Units shall have a maximum ¼-inch pile.
8. **Resilient Flooring.** 1/8-inch vinyl composition tile with color and pattern full thickness, LVT, sheet vinyl, linoleum flooring, tile flooring, bamboo, wood, or polished concrete.
9. **Resilient Flooring — Bathrooms.** LVT, sheet vinyl, linoleum flooring, or tile flooring.
10. **Durable Windowsills.** All windowsills/ledges shall be composed of moisture-resistant materials, such as plastic laminate, molded plastic, cultured marble, etc.
11. **Window Covering.** Window coverings are required. A spring loaded type window shade is not an approved covering.

D. **ENERGY REQUIREMENTS.**

1. **Heating and Air Conditioning.** All Units shall be heated and air conditioned. Heating and air conditioning equipment must meet current Energy Star standards and use non-CFC or non-HCFC refrigerants. Window units are not allowed. Electric resistance heating is not allowed as the primary heating source for new construction adaptive reuse and must be approved at the time of application if proposed for an Acquisition/Rehab or rehab project. AC sleeves shall be provided with a tight-fitting, insulated cover for thru wall AC units. Winter covers shall be provided for each AC unit.
2. **Water Heaters.** Water heating equipment shall meet current Energy Star standards.

9.5 MINIMUM DEVELOPMENT CHARACTERISTICS – NEW CONSTRUCTION AND ADAPTIVE REUSE.

New Construction and Adaptive Reuse Construction must use the following additional minimum development characteristics:

A. **Appliances.** Each Unit must have a built-in dishwasher.

B. **Closets.** Each bedroom shall have a closet (2 foot x 5 foot minimum) with a door. The minimum complement of dedicated closets per Unit include: 1 linen closet or cabinet 1.5 foot x 2 foot minimum and 1 coat closet 2 foot x 3 foot minimum.

C. **Laundry.** Each Unit must have an enclosed washer and dryer (accessible if applicable), and the dryer vented to the building exterior.

D. **Unit Sizes.** For New Construction only, each Unit shall be at least a 1 bedroom.

E. **Unit Bathrooms.** Three or more bedroom Units in new construction and Adaptive Reuse Projects shall have at least 1 full bathroom and 1 three-quarter bathroom.

F. **Windows.** Each Unit shall have at least one operable window per bedroom to allow for ventilation or serve as an emergency escape and rescue opening for Units located below the fourth story of a building.

G. **Energy Requirements.** In addition to meeting Iowa State Code and the IECC, the Project shall meet or exceed prescriptive standards for Multi Family New Construction (MFNC) or prescriptive standards for Energy Star Certified Homes (except where those requirements have been reduced herein) and receive a Home Energy Rating Systems (HERS) Index of 70 or less from a certified rater in Iowa. A home energy rating performed by a certified HERS rater is required on each building after it is completed to verify that actual construction meets the above listed requirements. Five Units with different floor plans and orientations for complexes of less than 50 Units and 10% of Units, up to a maximum of 10 Units in complexes of 50 or more Units shall be rated. The contract for the determination of the HERS index shall be between the certified rater and the Ownership Entity.

H. **Radon System.** All new construction Projects shall install a passive radon system, including a drain tile loop below the building slab along with vertical vent pipes and junction boxes. Passive radon systems shall be upgraded to active systems if required radon tests conducted post construction exceeds permissible thresholds. Refer to Appendix F – “Radon Control Methods” in the 2012 International Residential Code.

I. **Accessibility.**

1. **Fully Accessible Units.** Projects shall have at least 10% percent of the Units, or at least 1 (whichever is greater) Unit fully accessible for persons with mobility disabilities constructed in accordance with the Uniform Federal Accessibility Standards (UFAS). Type A Units and Type B Units do not qualify.
2. **Units with Accessible Communication Features.** In addition to the 10% fully accessible Units, 2% percent of the Units, or at least 1 (whichever is greater) must be accessible for persons with hearing or visual disabilities. Refer to Section 10 – Building Standards.

For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit.

9.6 MINIMUM DEVELOPMENT CHARACTERISTICS – ACQUISITION/REHAB. Rehabilitation Construction must use the following additional minimum development characteristics:

A. **Scope of Work.** The Scope of Work must identify necessary improvements identified in the CNA, including but not limited to:

1. Making common areas accessible, creating or improving sidewalks, installing new roof shingles, adding gutters, sealing brick veneers, applying exterior paint or siding, and re-surfacing or re-paving parking areas.
2. Improving site and exterior dwelling lighting with Energy Star qualified lighting fixtures, landscaping/ fencing, and durable siding.
3. Using energy-efficient related Energy Star labeled products to replace inferior ones, including insulated windows.
4. Improving heating and cooling Units, plumbing fixtures and water heaters, toilets, sinks, faucets, and tub/shower Units to meet minimum efficiency standards for new construction.
5. Improving quality of interior conditions and fixtures, including carpet, vinyl, interior doors, painting, drywall repairs, cabinets, Energy Star appliances, Energy Star light fixtures, and window coverings to meet minimum efficiency standards for new construction.
6. Upgrading electrical circuits to have GFCI outlets at kitchens, baths, laundries, and other applicable locations.
7. Upgrading all interior lighting to LED.

Items that are newly installed, replaced, or upgraded must meet the standards set in 9.4 – Minimum Development Characteristics – All Projects.

B. **Energy Requirements.** For Acquisition/Rehab Projects, IFA requires:

1. A letter from an engineer or architect to certify that the architect has met and coordinated the project design with the energy consultant and Ownership Entity to confirm that the design meets the applicable International Energy Conservation Code (IECC) as shown in Section 10 – Building Standards.
2. A copy of an initial and final energy audit conducted by the Energy Consultant to confirm that all improvements meet applicable IECC levels. The contract for the determination of the energy audit shall be between the certified rater and the Ownership Entity.

This section does not apply to Historic projects.

C. **Resident/Community Laundry.** A common laundry room facility located on site with a minimum of 1 washer/dryer to serve each 12 Units. An Applicant may provide a washer and dryer in each Unit in lieu of a common laundry room facility.

D. **Smoke Detectors/CO2 Detectors.** Install or replace all smoke detectors/CO2 detectors, and these shall have a 10-year battery if not hard wired.

E. **Radon System.** All Acquisition/Rehab Projects shall have a radon test prior to construction. Projects with basements or subfloors are required to have a passive radon system installed or an active system if radon tests exceed permissible thresholds. Projects built on slab on grade may forgo the installation of a radon system if radon tests are found to be below the permissible thresholds. Refer to Appendix F – "Radon Control Methods" in the 2012 International Residential Code.

F. **Accessibility.** Projects shall have at least 5% percent of the Units, or at least 1 (whichever is greater) Unit accessible for persons with mobility disabilities constructed in accordance with the Uniform Federal Accessibility Standards (UFAS). An additional 2% percent of the Units, or at least 1 (whichever is greater) must be accessible for persons with hearing or visual disabilities (Units with Accessible Communication Features). For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit. Refer to Section 10 – Building Standards.

   1. **Fully Accessible Units.** Projects shall have at least 5% percent of the Units, or at least 1 (whichever is greater) Unit fully accessible for persons with mobility disabilities constructed in accordance with the Uniform Federal Accessibility Standards (UFAS). Type A Units and Type B Units do not qualify.
   2. **Units with Accessible Communication Features.** In addition to the 5% fully accessible Units, 2% percent of the Units, or at least 1 (whichever is greater) must be accessible for persons with hearing or visual disabilities. Refer to Section 10 – Building Standards.

For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit.

SECTION 10. BUILDING STANDARDS

Preliminary site plan and floor plans are to be submitted with the Application to IFA. The Applicant shall meet local, state and federal standards that apply to the Project, regardless if listed below.

A. 2015 International Building Code adopted and published by the International Code Council.

B. 2015 International Existing Building Code adopted and published by the International Code Council.

C. 2015 International Residential Code adopted and published by the International Code Council (excepting paragraphs R313.1 and R313.2; sprinklers are not required in single family or townhomes separated by 2 hr. fire walls).

D. 2015 International Fire Code adopted and published by the International Code Council.

E. 2015 International Mechanical Code adopted and published by the International Code Council.

F. 2021 Uniform Plumbing Code adopted by the International Association of Plumbing and Mechanical Officials.

G. 2020 National Electric Code adopted by the National Electrical Code Committee and published by the National Fire Protection Association, Inc.

H. 2015 International Energy Conservation Code adopted by the International Code Council. Any Tax Credit project that includes HUD or Rural Development ("USDA") assistance or financing shall comply with 2021 IECC.

I. Iowa Administrative Code, including but not limited to the following Chapters: 300 (Administration), 301 (General Provisions), 302 (Accessibility of Building), 303 (Energy Conservation), 350 (State Historic Building), and 25 (State Plumbing Code).

J. Uniform Federal Accessibility Standards provided in 24 CFR Part 8 and delineated in the American National Standards Institute Standard 2009 A117.1.

K. The Americans with Disabilities Act 1990 provided by the Federal Department of Justice. All publicly accessible areas must meet the accessibility requirements of this Act.

L. The Federal Fair Housing Act of 1988 – all buildings with 4 or more units must comply with this Act and the Fair Housing Design Standards. Applies to ground floor Units or all Units in an elevator building.

M. For Adaptive Reuse/Rehabilitation, the Lead Base Paint Poisoning Prevention Act, the Department of Housing and Urban Development (HUD) Guidelines for the Evaluation and Control of Lead Based Paint Hazards, Environmental Protection Administration (EPA) and Occupational Safety and Health Act (OSHA) provisions shall apply when applicable.

N. For Adaptive Reuse/Rehabilitation, if applicable, State Historic Preservation Office (SHPO) clearance Section 106 of the National Historic Preservation Act, 36 CFR Part 800 for Projects receiving any direct federal funding (categorical grant) or affecting properties listed in the National Register of Historic Places, or in a designated historic preservation district or zone.

PART D – GLOSSARY OF TERMS

The following bolded terms shall have the meanings set forth herein unless context clearly requires a different meaning.

Affiliates: Any Person or Entity who (i) directly or indirectly through one or more intermediaries' control, is controlled by, or is under common control with the Applicant; or (ii) owns or controls any outstanding voting securities, partnership interests, membership interests, or other ownership interests of the Applicant; or (iii) is an officer, director, guarantor, employee, agent, partner, member, manager, or shareholder of the Applicant; or (iv) has an officer, director, member, manager, guarantor, employee, agent, partner, or shareholder who is also an officer, director, member, manager, employee, agent, partner, or shareholder of the Applicant.

Applicant: The Ownership Entity, Developer, General Partner, Managing Member, or Affiliate as shown in the Application.

Area Median Gross Income (AMI): The most current tenant income requirements published by HUD pursuant to the qualified Low-Income Housing Project requirements of IRC Section 42(g).

Disability: At least one of the following criteria: (1) Has a physical, mental or emotional impairment which is expected to be of long continued and indefinite duration, substantially impedes the person's ability to live independently, and is of a nature that such ability could be improved by more suitable housing conditions; or (2) Has a developmental Disability, defined as a severe chronic Disability which is attributable to a mental or physical impairment or combination of mental and physical impairments, is manifested before the Person attains age 22, is likely to continue indefinitely, results in substantial functional limitation in three or more of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency; and which reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong, or extended duration and are individually planned and coordinated.

Eligible Basis: The Project costs allowable under Section 42(d) that are used to calculate the maximum Tax Credits.

Entity: Any General Partnership, limited partnership, corporation, joint venture, trust, limited liability company, limited liability partnership, business trust, cooperative or other business association.

Family Project: General occupancy project with no age restrictions.

Identity of Interest: A financial, familial, or business relationship that permits less than an arm's length transaction. No matter how many transactions are made subsequently between Persons, corporations, or trusts controlled by the Ownership Entity/Developer, these subsequent transactions shall not be considered "arm's-length". Identity of Interest includes but is not limited to the following: the existence of a reimbursement program or exchange of funds; common financial interests; common officers, directors, or stockholders; family relationships among the officers, directors, or stockholders; the Entity is controlled by the same group of corporations; a partnership and each of its partners; a limited liability company and each of its members; or an S Corporation and each of its shareholders. Failure to disclose an Identity of Interest is an unsatisfactory performance issue with IFA and may deem the party ineligible for future rounds.

Low-Income Unit: Any residential rental Unit if such Unit is rent-restricted and the occupant's income meets the limitations applicable as required for a qualified low-income housing Project.

Older Persons/Senior Housing: Housing that meets the Fair Housing Act definition of housing for older persons and is exempt from the law's familial status requirements provided that: (1) HUD has determined that the dwelling is specifically designed for and occupied by elderly persons under a federal or state government program; (2) it is occupied solely by persons who are 62 or older; or (3) it houses at least 1 person who is 55 years or older in at least 80% of the occupied Units, and adheres to a policy that demonstrates intent to house persons who are 55 years old or older.

Owner Representative: The General Partner(s) or managing member(s) of the Ownership Entity.

Project: A low-income rental housing Property the Applicant of which represents that it is or will be a qualified low-income housing Project within the meaning of IRC Section 42(g). With regard to this definition, the Project is that Property which is the basis for the Application.

Property: The real estate and all improvements thereon which are the subject of the Application, including all items of personal Property affixed or related thereto, whether currently existing or proposed to be built thereon in connection with the Application.

Radon System (Sub-Slab Depressurization System): Radon-resistant features below the building slab along with vertical vent pipe(s) with junction box(es) following requirements in ASTM E2121-13 Standard Practice for Installing Radon Mitigation Systems in Existing Low Rise Residential Buildings and ASTM E1465 – 08a Standard Practice for Radon Control Options for the Design and Construction of New Low-Rise Residential Buildings. Find other technical guidance at EPA Radon Resources for Builders and Contractors.

Senior Center: A community-based, federally funded program that provides a variety of services that may include social activities, nutrition, and educational and recreational opportunities for older adults.

Single-Room Occupancy (SRO) Housing: Housing consisting of single-room dwelling Units that is the primary residence of its occupant or occupants. Per Iowa Code 42(i)(3)(B)(iii), all SRO Units shall have kitchen and bathroom facilities within the Unit and used other than on a transient basis.

State Issued Notice of Noncompliance: A notice that identifies noncompliance issues (that existed at the property during a physical inspection or file review) with the LURA, the Application, etc. that are not reported to the IRS via IRS Form 8823, throughout the Compliance Period and the Extended Use Period.

Tax Credits: The Low-Income Housing Tax Credits issued pursuant to the program, IRC Section 42, and Iowa Code Section 16.35.

Tax Credit Reservation: With respect to a Project or a building within a Project, the amount of Tax Credits IFA awards to an Ownership Entity.

Tax Credit Reservation Date: The date that the notice of Tax Credit Reservation was emailed to an approved Applicant.

Unit: A room or a group of related rooms designed for use as a dwelling for which rent is paid. A Unit contains sleeping accommodations, a kitchen, and a bathroom.

Utilities: Gas, electricity, water, sewer service, and trash.

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