

2026-2027 — FIRST AMENDED 9% QUALIFIED ALLOCATION PLAN (QAP)

This Qualified Allocation Plan (QAP) governs the 2026 and 2027 — 9% Low-Income Housing Tax Credit (LIHTC) allocation years. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35.



TABLE OF CONTENTS

INTRODUCTION [3](#)

PART A – APPLICATION REQUIREMENTS [4](#)

SECTION 1. SET-ASIDES AND TAX CREDIT LIMITS [5](#)

SECTION 2. APPLICATION PROCESS OVERVIEW [8](#)

SECTION 3. ELIGIBILITY [13](#)

SECTION 4. APPLICATION UNDERWRITING STANDARDS [20](#)

SECTION 5. BASIS BOOST [24](#)

SECTION 6. SCORING CRITERIA [25](#)

SECTION 7. SELECTION CRITERIA AND AWARD PROCESS [34](#)

PART B – POST RESERVATION REQUIREMENTS [36](#)

SECTION 8. CHANGES TO THE APPLICATION AFTER AWARD [37](#)

SECTION 9. CARRYOVER ALLOCATION-TEN PERCENT TEST APPLICATION [37](#)

SECTION 10. PRIOR TO PLACED-IN-SERVICE DOCUMENTS [38](#)

SECTION 11. APPLICATION FOR IRS FORM 8609 [38](#)

SECTION 12. CASUALTY LOSS AND COMPLIANCE [38](#)

SECTION 13. TERMS AND CONDITIONS [39](#)

PART C. CONSTRUCTION REQUIREMENTS [41](#)

SECTION 14. PRIOR TO INITIATION OF CONSTRUCTION [42](#)

SECTION 15. BUILDING STANDARDS [48](#)

PART D – GLOSSARY OF TERMS [50](#)

INTRODUCTION

This Qualified Allocation Plan (QAP) governs the 2026 and 2027 federal 9% Low-Income Housing Tax Credit (Tax Credit) allocation years. 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.

The Code requires that the QAP include three statutory preferences: developments serving the lowest-income tenants, developments affordable for the longest periods of time, and developments located in qualified census tracts (QCTs) designated by the U.S. Department of Housing and Urban Development (HUD) that contribute to a Concerted Community Revitalization Plan. The Code also requires the QAP to consider ten statutory selection criteria: Project location; housing needs characteristics; Project characteristics; sponsor characteristics; tenant populations with special housing needs; public housing waiting lists; tenant populations of individuals with children; Projects intended for eventual tenant ownership; energy efficiency of the Project; and historic nature of the Project.

In addition to federal requirements, IFA has developed three goals for this QAP:

- A. Build durable rental Units that will remain quality assets in communities,
- B. Build rental Units in communities and sites that have high opportunity for residents, and
- C. Build rental Units that are affordable for rent-burdened residents.

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 – APPLICATION REQUIREMENTS

SECTION 1. SET-ASIDES AND TAX CREDIT LIMITS.

1.1 AMOUNT OF TAX CREDITS TO BE ALLOCATED. The amount of annual Tax Credits allocated to Iowa by the federal government for this program is based on a per-capita amount derived from population estimates released by the Internal Revenue Service (IRS). IFA intends to award all Tax Credits allocated in the current year along with any returned Tax Credits from previous years.

1.2 SET-ASIDES. The funding round will include the following set-asides. Projects competing in a set-aside may compete in the General Set-Aside except the Innovation Set-Aside.

- A. **Innovation Set-Aside.** In the 2026 Round, IFA may award up to \$1,000,000 in Tax Credits to no more than one Project that applies for the Innovation Set-Aside. In the 2027 Round, IFA may award up to \$1,200,000 in Tax Credits to no more than one Project that applies for the Innovation Set-Aside.
1. Refer to Appendix P – Innovation Set-Aside for more information on the Innovation Set-Aside.
 2. The Tax Credit Director may allow additional exceptions to this QAP for Projects awarded under the Innovation Set-Aside.
- B. **Nonprofit Set-Aside.** Under this set-aside, Qualified Nonprofit Organizations shall receive at least 10% of all available Tax Credits. Not more than 90% of the available Tax Credits shall be allocated to projects other than to Projects qualifying for this set-aside. IFA will determine whether an Entity is a Qualified Nonprofit Organization for the purpose of this Set-Aside.

To qualify for the Nonprofit Set-Aside:

1. A Qualified Nonprofit Organization must be the Developer or Co-Developer.
2. The Nonprofit shall have a designation under Internal Revenue Code (IRC) Section 501(c)(3) or 501(c)(4), is tax-exempt from tax under Section 501(a), and be qualified to do business in Iowa.
3. The Nonprofit shall not be formed for the principal purpose of being included in the Nonprofit Set-Aside.
4. The Nonprofit shall not be affiliated with or controlled by a for-profit organization. IFA, in its sole discretion, shall make a determination that the Nonprofit is not affiliated with or controlled by a for-profit organization. Control means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any person or Affiliate thereof, whether through the ownership of voting securities, by contract or otherwise, including specifically, ownership of more than 50% of the General Partner interest in a limited partnership, or designation as General Partner/Managing Member of a limited liability company.

IFA shall consider all evidence available in determining, in its sole discretion, if a Nonprofit is affiliated with a for-profit organization, including but not limited to the following circumstances:

- Board independence.
- Nonprofit who is the sole member of the for-profit GP/MM is not also the sole manager of the for-profit GP/MM.
- Nonprofit organization using an address for their for-profit GP/MM entity or for their own, that is same as a for-profit entity.
- Organizational recordings for the Nonprofit organization or the GP/MM that the Nonprofit is the sole member, manager, or shareholder of, done by employees or attorneys employed by of a for-profit developer or affiliates thereof.

5. The Nonprofit and/or parent Nonprofit organization shall have, as one of its tax-exempt purposes, the fostering of low-income housing and shall have been so engaged for the two years prior to the Application submission date. The Applicant shall demonstrate that the Nonprofit's programs include a low-income housing component that previously placed Federal Housing Tax Credit Units in service. Consistent with Rev. Proc. 96-32, 1996-1 C.B. 717, the Applicant shall explain how the Nonprofit is pursuing a charitable purpose by fostering low-income housing.
 6. The Nonprofit shall be an Owner Representative, either directly as a General Partner or through a wholly owned subsidiary as defined in IRC Section 42(h)(5)(d)(i) and (ii) throughout the Compliance Period. If there are two or more Owner Representatives, each must be Nonprofit, but only one must meet the requirements of Section 1.2.A.5 above. The Nonprofit shall materially participate in the development and operation of the Project throughout the Compliance Period. Nonprofit material participation is defined in IRC Section 469(h) and Treasury Regulation 1.469-5T.
 7. The Nonprofit shall materially participate in the development and operation of the Project throughout the Compliance Period. Nonprofit material participation is defined in IRC Section 469(h) and Treasury Regulation 1.469-5T.
 8. The Nonprofit shall have a minimum of one paid employee.
 9. The Nonprofit shall receive no less than 50% of the combined total of the Developer and consultant fee, which must be received as a payment and not deferred.
- C. **Preservation Set-Aside.** The set-aside shall receive no more than \$1,500,000 of all available Tax Credits. Eligible Projects shall be existing affordable properties where more than fifty (50%) percent of the Units are currently income-restricted and rent restricted to households at or below sixty (60%) percent AMI by a LIHTC LURA.
- D. **Rural Set-Aside.** IFA will award up to \$1,500,000 in Tax Credits to Applications in rural counties. Refer to Appendix A – QCT's, DDA's, and Rural Counties.
- E. **General Set-Aside.** IFA will award the remaining Tax Credits to Applications in a general competition.

1.3 PROJECT LIMITATIONS.

A. Per Unit Tax Credit Cap.

Project Type	Amount per Tax Credit Unit	Description
Family New Construction or Adaptive Reuse Projects	\$31,500 per Tax Credit Unit	Projects shall not include more than 20% 1BR Units, and the average bedroom size shall be at least 2.2 bedrooms.
	\$34,250 per Tax Credit Unit	Projects shall not include more than 20% 1BR Units, shall include at least 10% 4BR Units, and the average bedroom size shall be at least 2.5 bedrooms.
Senior New Construction or Adaptive Reuse Projects	\$28,750 per Tax Credit Unit	Projects shall have an average bedroom size of at least 1.2 bedrooms.
Acquisition/Rehabilitation Projects	\$23,250 per Tax Credit Unit	
Permanent Supportive Housing Projects	\$31,500 per Tax Credit Unit	Project Unit mix shall be appropriate for the population to be served.

- B. **Project Cap.** The maximum Tax Credit amount that will be awarded to any one Project is \$1,500,000.
- C. **Developer, General Partner/Managing Member Cap.** IFA will not award Tax Credits to any Project in which the Developer, General Partner/Managing Member, or Affiliate is controlled by an individual or entity that is involved with other awarded Projects in the same round that, in the aggregate, have been awarded 2 projects or \$1,700,000. Whether an individual's or entity's involvement in a Project counts towards the calculation of the 2 projects or \$1,700,000 limit is in IFA's sole discretion. IFA reserves the right to waive this cap in order to meet the Nonprofit Set-Aside.
- D. **Open Projects Limitation.** A single individual, entity, or entities controlled by such individuals, or entities involved as a Developer, General Partner/Managing Member or Affiliate that has a total of 4 or more open Tax Credit Projects in Iowa shall be eligible for only 1 award in the current funding round, regardless of team member role that the entity is listed as in the Tax Credit Application(s). A Project is considered open once it receives a Tax Credit Reservation and closed upon IRS Form 8609 issuance. IFA reserves the right to waive this limitation in order to meet the Nonprofit Set-Aside.
- E. **Community Cap.** A city in a rural county shall receive no more than 1 Tax Credit award, and a rural county shall receive no more than 2 9% Tax Credit awards. A city in other counties shall receive no more than 2 Tax Credit awards, and other counties shall receive no more than 3 awards. Refer to Appendix A – QCTs, DDAs, and Rural Counties. IFA reserves the right to waive this cap in order to meet the Nonprofit Set-Aside.

SECTION 2. APPLICATION PROCESS OVERVIEW.

2.1 TAX CREDIT RESERVATION SCHEDULE. To the extent possible, the following schedules apply to the Tax Credit Reservation Application process for 9% Tax Credits:

2026 Round Process Step	Date
Appendices Package Available	October 2025
Application Package Available	November 2025
Qualified Service Provider Request Submissions due to IFA	Between February 16 and February 27 2026, 4:30pm, Central Time
Application Package Submission due to IFA	March 11, 2026, 4:30pm Central Time
Application Deficiency Period	April/May 2026
IFA Tax Credit Reservation recommendations presented to Board	June 2026 IFA Board of Directors meeting
Issuance of 2026 Carryover Allocation Agreements	On or about September 1, 2026
Carryover-Ten Percent Test Application Package due to IFA	On or about August 1, 2027 (11 months following the date of Carryover Agreement)
Placed-In-Service Deadline	All buildings in the Project must be placed-in-service no later than December 31, 2028
IRS Form 8609 Application Package due to IFA	No later than November 1 of the first year of the credit period

2027 Round Process Step	Date
Appendices Package Available	October 2026
Application Package Available	November 2026
Qualified Service Provider Request Submissions due to IFA	Between February 15 and February 26, 2027, 4:30pm, Central Time
Application Package Submission due to IFA	March 10, 2027, 4:30pm, Central Time
Application Deficiency Period	April/May 2027
IFA Tax Credit Reservation recommendations presented to Board	June 2027 IFA Board of Directors meeting
Issuance of 2027 Carryover Allocation Agreements	On or about September 1, 2027
Carryover-Ten Percent Test Application Package due to IFA	On or about August 1, 2028 (11 months following the date of Carryover Agreement)

2027 Round Process Step	Date
Placed-In-Service Deadline	All buildings in the Project must be placed-in-service no later than December 31, 2029
IRS Form 8609 Application Package due to IFA	No later than November 1 of the first year of the credit period

Any revisions to the schedule will be published on the IFA website.

2.2 FEES. Electronic payment of the fees is required. All fees are non-refundable. IFA shall collect the fees described below for the Tax Credit Program.

Fee Type	All Applicants
Application Submission Fee	\$1,000 for Projects with a Nonprofit Developer, Co-Developer, GP or MM of the Ownership Entity and \$2,000 for all other Projects. Due at Application submission.
Application Review Fee	\$750 for Projects with a Nonprofit Developer, Co-Developer, GP or MM of the Ownership Entity and \$1,500 for all other Projects. Due within 5 business days of the Application submission due date.
Reservation Fee	1% of the total 10-year Tax Credit amount due within 30 calendar days of the Tax Credit Reservation Date.
LURA Recording Reimbursement Fee	The Applicant will be billed for actual cost for filing of the LURA with the county that the Property(ies) is/are located.
Material Change in Application Fee	\$7,500 for material change requests.
Late Submission of the Carryover-Ten Percent Test Application	If a late submission of the Carryover-Ten Percent Test Application is allowed by IFA, the Applicant will be billed \$5,000. Does not apply to extension exceptions allowed by the IRS.
Late Submission of the IRS Form 8609 Application	If a late submission of the IRS Form 8609 Application is allowed by IFA, the Applicant will be billed \$5,000. Only applies to Projects in which this is the last year they may claim Tax Credits and does not apply to extension exceptions allowed by the IRS.
IRS Form 8609 Application Fee	\$6,000 for Projects that were eligible for the Nonprofit Set-Aside and \$12,000 for all other Projects.
Amended IRS Form 8609 Fee	\$1,000

Fee Type	All Applicants
Legal Fees	<p>Legal fees of IFA's in-house counsel and related to the Project may be billed at the rate of \$150 per hour. Legal fees of outside counsel and related to this Project will be billed at the rate charged to IFA.</p> <p>Fees and expenses in cases of unsuccessful appeals may be assessed and billed to the Applicant.</p>
Construction Monitoring Fees	A \$3,500 construction monitoring fee will be due with the Carryover-Ten Percent Test 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.
Compliance Monitoring Fee	<p>\$42 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: \$42 per Unit x 24-Unit Project = \$1,008 paid annually for 30 years.)</p> <p>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.</p> <p>Annual rate increases may apply. Other fees as provided in the IFA compliance manual.</p> <p>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.</p>

2.3 CONTACT WITH IFA.

- A. **Prior to Application Submittal.** Prior to the submittal of the Application, 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.** After submittal of the Application, 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. Applicants shall pay the Application Submission Fee when submitting the Application prior to the Submission due date. Within 1 business day of the Application submission deadline, preliminary scoring for all submitted applications shall be posted on the IFA website. Within 5 business days of the Submission due date, Applicants must pay the Application Review Fee if they want their application submitted for full Application Review.

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 is due upon Application submission. The Market Study and field survey must have been completed no more than 6 months prior to the Application due date. The Applicant is solely responsible for providing a Market Study for a Project within this timeframe; failure to do so will result in IFA rejecting the Application.
- 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 during the deficiency period. 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, IFA shall reject the Application.

- A. **Application Package.** Applicants shall use the required forms contained in the current round's Application Package and include all information required by the QAP or as otherwise required. Applicants shall submit the Application and exhibits through the online Application.
- B. **Prior Years.** Application determinations made in prior years are not binding on IFA for the current funding round.
- C. **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.
- D. **Authorization Forms.** IFA may request an executed IRS Form 8821, Tax Information Authorization.
- E. **Document Timeliness.** Required supporting documentation shall not be more than 180 days old, unless otherwise noted, on the date the Application is submitted. Exceptions include documents not specifically produced for the Application, such as a valid purchase agreement, deed, land title document, Articles of Incorporation or other organizational documents, and IRS letters to a Nonprofit stating it is an exempt organization.
- F. **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, provided on the form specified by IFA, and made under penalty of perjury.
- G. **Local Jurisdiction Notification.** The Applicant shall supply the contact information of the Chief Executive Officer of the Local Jurisdiction.

- H. **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 score shall not be allowed. If applicable, IFA may adjust underwriting and/or scoring. IFA may contact the Applicant in other ways to clarify information contained in the Application.
- I. **Scoring Determination.** IFA shall make the final determination of the Applicant's score.
- J. **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.

Any documents that include a Tax Identification Number or Social Security Number 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 contact IFA staff prior to submitting the Application 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 email 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. The Ownership Entity shall be formed prior to Application submission and shall be a single-asset entity to which the 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.

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/Managing Member, and 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 this Developer or Affiliate thereof is currently serving as a Managing Member/General Partner or sole shareholder/member of the General Partner/Managing Member 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 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 | • Energy Consultant |
| • General Partner/Managing Member | • Tax Attorney |
| • Syndicator or Direct Investor | • Tax Accountant |
| • Special Limited Partner | • Contractor |
| • Management Company | • Engineer |
| • Architect | • Development Consultant |

* Language revised on 09/17/2025 due to a scrivener's error; language differs insubstantially from Final QAP approved by the IFA Board on 08/06/2025.

- C. **New Developer and General Partner/Managing Member to Iowa.** A Developer or GP/MM with no prior 9% Tax Credit awards in any state or with no prior 9% Tax Credit award in Iowa shall be eligible as listed below.

Developer or GP/MM with no prior 9% Tax Credit Award in any state	Eligible for up to one Tax Credit award in the 9% funding round and shall not be eligible for a second award in any team member role until the Project meets the 10% Test and is placed in service.
Developer or GP/MM with no prior 9% Tax Credit Award in Iowa	Eligible for up to one Tax Credit award in the applicable 9% round.

- 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 third party NGBS Green Verifier accredited by Home Innovations.
- 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:

- Evidence of involvement in a financial crime or crime related to dishonesty.
- Evidence of involvement in a crime or a 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.
- Delinquency in the payment of state or local taxes or other substantial noncompliance with Iowa tax law.
- Making misrepresentation or providing materially false information in an application.
- Allowing an affordable rental housing property to enter into foreclosure.
- Exiting a Tax Credit Ownership Entity voluntarily or involuntarily.
- 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 and any rules adopted to implement the aforementioned Iowa Code Sections.
- Not being in good standing with any affordable rental housing program administrator, state agency, or local authority.
- A history of lawsuits which demonstrate conduct that is detrimental to the rights and need of tenants or which would be a violation of existing LIHTC 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 current zoning at time of Application submission will permit the proposed project. This includes any special use permits or variances required by the proposed Project. Any such permits or required variance approvals must be completed prior to the Application submission date. The Applicant shall provide confirmation from the city of the current zoning, including special or conditional use permits and any other discretionary land use for each site on which the Project will be located. The city 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.
- 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 are not located in proximity to one another but are owned by the same Ownership Entity and financed under the same agreement(s) and are located within the same county. 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.
 - 4. A plat map of the site or proposed replat of the site.

D. **Detrimental Site Characteristics.** If the site 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. The Applicant shall not change the site location.

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, or a 500-year flood zone as determined by the Iowa Department of Natural Resources, a FEMA map, or a FIRM map. Sites that are located within a 100-year flood zone are not permitted.
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). Options to purchase or lease must be valid for at least nine months following the date of the Application submission due date.

- 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; 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).
- c. If the seller of the site is a unit of local government, all Right of Way vacations and parking variance approvals must be completed by the time of Application submission due date.

3.5 PROJECT REQUIREMENTS.

- A. **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.
- B. **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.
- C. **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)(1) 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 Projects with a Project Based Rental Assistance Contract.
- D. **Senior Projects Standards.** Senior Projects are not allowed anything greater than 2 bedrooms per Unit. If layered with an existing Federal Program, the federal occupancy restrictions shall apply.
- E. **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.
- F. **Market Rate Standards.** Market-rate single-family homes shall not be allowed.

G. Acquisition/Rehab.

1. **Capital Needs Assessment (CNA).** Acquisition/Rehab or Rehab Projects shall submit 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.
3. **Rehabilitation Expenditures.** 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).

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 fee, including Developer overhead/profit and development consultant fees, shall not exceed the amounts described below. Developer fee shall not be increased after the submission of the initial Application. The Developer fee is calculated as a percentage of Total Project Costs minus land, existing structures, Developer fee, Developer overhead and profit, Consultant fees, and Project reserves. Developer fee is not permitted for acquisition costs.

All Projects	Fee Limit
First 24 Units	Not to exceed 18%
Remaining Units within the Project above 24	Not to exceed 15%

- B. **Builder and General Contractor Fees.** Builder and general contractor fees shall 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 may limit professional fees and other fees related to services rendered to the Project.
- D. **Construction Contingency Funding.** Construction contingency shall be used to cover costs for unknown conditions discovered and cost overruns incurred during construction. Applicants shall obtain IFA approval for the use of construction contingency funds for items that were not part of the initial scope of work. The following are the allowed construction contingency amounts:

Project Type	Percentage of Hard Construction Costs less Construction Contingency
New Construction	5% - 10%
Acquisition/Rehab or Rehab Projects	10% - 15%
Adaptive Reuse	15% - 20%

- E. **Soft-Cost Contingency.** Soft-cost contingencies are restricted to the lesser of \$20,000 or 6% of the subtotals of the interim costs, financing fees and expenses, and soft costs minus the soft-cost contingency.

- F. **Operating Reserve.** The operating reserve will be at least 6 months of debt service and total operating expenses. 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.
- G. **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 are acquired for \$1.00, with an Identity of Interest.
- H. **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.
 2. **Construction and Permanent Lender Fees.** Construction 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 Loan Costs.** Financing costs on land acquisition or other costs 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, 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 50% 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, it is already a "certified historic structure," and a Part 1 is not needed, but 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 of state and federal historic tax credits as proposed or awarded by the appropriate allocating agency as a funding source. Applicants shall not create a subrecipient of the Federal Historic Tax Credits to become eligible for more Tax Credits.
- E. **HOME Funds.** Refer to HOME/NHTF Appendices Package.
- F. **National Housing Trust Fund (NHTF).** Refer to the HOME/NHTF Appendices Package.
- G. **Multiple Funding Scenarios.** IFA shall not consider multiple funding scenarios except as listed in the HOME/NHTF Appendices Package.
- H. **Additional State and Federal Funding.** If available, refer to Appendix R - Additional State and Federal Funding.

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 Senior 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. **Net Rent Increases.** If a Project wishes to increase their net rents over 10% from initial accepted Application, the Project must receive approval from IFA prior to implementing the increase unless the Project has an executed Federal Project Based Rental Assistance Contract. The request must be supported with an updated Market Study and additional documentation as requested by IFA.
- G. **Subsidy Layering Review.** IFA shall complete a subsidy layering review for each Project that receives HUD housing assistance (other than HOME and CDBG).

SECTION 5. BASIS BOOST.

A Project may receive up to a 30% increase in Eligible Basis and Per Unit Tax Credit Cap, but is still subject to the Project Cap.

5.1 PROJECTS LOCATED IN QUALIFIED CENSUS TRACTS (QCT) AND/OR DIFFICULT DEVELOPMENT AREAS (DDA). IFA allows up to a 10% increase in Eligible Basis for Projects where all buildings are located in QCTs and/or DDAs. Refer to Appendix A – QCTs, DDAs, and Rural Counties.

5.2 PROJECTS LOCATED IN A RURAL COUNTY. IFA allows up to a 20% increase in Eligible Basis for Projects in a Rural County as designated by IFA. Refer to Appendix A – QCTs, DDAs, and Rural Counties.

Sections 5.1 – Projects Located in QCTs and DDAs and 5.2 – Projects Located in a Rural County cannot be combined.

5.3 PROJECTS PROVIDING PERMANENT SUPPORTIVE HOUSING. IFA allows up to a 10% increase in Eligible Basis for Projects providing at least 10% of the Units as permanent supportive housing, or a 15% increase in Eligible Basis for Projects providing at least 15% of the Units as permanent supportive housing under Section 6.1.C – Projects Providing Permanent Supportive Housing. Refer to Appendix D – Permanent Supportive Housing.

5.4 SINGLE FAMILY, TOWNHOME/ROWHOUSE, or DUPLEX. IFA allows up to 20% increase in Eligible Basis for Projects providing at least 20% of the Units as duplexes or townhomes/rowhouses, or 30% in Eligible Basis for Projects providing 20% of the Units as single family. Each Unit shall extend from foundation to roof. Family Projects may be 1 to 3 stories and senior Projects must be 1 story. Each Unit has separate exterior entrances in both the front and rear of the Unit and some open space in a rear yard with a suitable patio that may be used by the occupants.

Sections 5.3 – Projects Providing Permanent Supportive Housing and 5.4 – Single Family, Townhome/Rowhouse, or Duplex cannot be combined.

SECTION 6. 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 selected unless otherwise 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 Restriction Agreement (LURA), all existing LURA requirements must be maintained.

6.1 AFFORDABILITY FOR RESIDENTS.

30 points Maximum

All Applicants may achieve the 30 points maximum by selecting one or multiple categories below. No Units shall count for points in more than one Affordability for Residents categories, except for Projects Providing Permanent Supportive Housing or project-based vouchers from a local PHA. NHTF or HOME Units shall not count toward any scoring points under any Affordability for Residents category other than C. For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit. The Affordability for Residents categories A through E are not available to an Applicant that elects the minimum set aside as Average Income Test.

- A. **Serving 40% AMI LIHTC Residents.** Projects that provide Units that are set-aside and occupied by tenants with incomes at 40% AMI or less and are rent-restricted. Annual recertifications shall be required, and tenant incomes may increase up to 60% AMI and still be considered a 40% AMI resident as long as the rent is restricted at 40% AMI.
- For each 4.0% of the Tax Credit Units *5 points*
- B. **Rent Reduction.** Projects that provide Tax Credit rents for the 60% or 50% AMI Units at 40% AMI rent levels. Tenant income eligibility will remain at 60% and 50% AMI (applies to the minimum set-aside Units), respectively. This category is not available to Projects with a Federal Project Based Rental Assistance Contract.
- For each 4.0% of the Tax Credit Units *5 points*
- C. **Projects Providing Permanent Supportive Housing.** Projects that provide Units for persons experiencing homelessness. These Units shall be leased only to qualified persons experiencing homelessness. Refer to Appendix D – Permanent Supportive Housing. The Project must be proposed by a Full Team, consisting of, at a minimum, a Developer, service provider, and property manager (a single entity may fulfill multiple roles) that successfully completed the Iowa Supportive Housing Institute as evidenced by a letter from the Corporation for Supportive Housing (CSH) confirming successful completion of the Institute and adherence to CSH's Quality Dimensions.
- For each 2.5% of the Tax Credit Units *5 points*

D. Project-Based Rental Assistance.

1. Projects with a Federal Project Based Rental Assistance Contract with HUD or RD.
 - At least 25% of the total Project Units covered by the rental assistance contract *15 points*
 - At least 50% of the total Project Units covered by the rental assistance contract *20 points*
 - At least 75% of the total Project Units covered by the rental assistance contract *30 points*
2. Projects with project-based vouchers from a local PHA with a commitment for at least 10 years.
 - 10% of the total Tax Credit Units *10 points*

- E. Average Income Test with 40% AMI.** Projects that elect Average Income Test and provide at least 30% of the Units that are set-aside and occupied by tenants with incomes at 40% AMI or less and are rent-restricted. Annual recertifications shall be required.
- 30% of the Tax Credit Units at 40% AMI *30 points*
- F. Average Income Test.** Projects that elect Average Income Test and limit tax credit cap based on 6% tax credit rate.
- 100% Average Income Test Units *30 points*

6.2 LOCATION. All building addresses in a Project, including Scattered Site Projects, shall meet the Location scoring requirements to be eligible for points. IFA will award the lesser points within each scoring category based on building locations.

- A. Underserved Cities.** *0 to 2 points*
Projects located in an underserved city as shown in Appendix E – Underserved Cities.

1. Project located in a city that has not received an award of Tax Credits in the last four years. *2 points*
2. Project located in a city that has not received an award of Tax Credits in the last two years. *1 point*

An award of Tax Credits includes a supplemental Tax Credit award. Cities will not be excluded if a Project located in that city received an award of Tax Credits within the applicable timeframe, but later returned the entire Tax Credit award.

If a Scattered Site Project, all building addresses shall be located in the applicable underserved city.

- B. Rent Burdened Households.** *1 point*
Projects located in a city as shown in Appendix F – Rent Burdened Households where an above average number of renter households are spending more than 50% of their income on housing costs based on the most recent 5-Year US Census Bureau ACS data and provide an additional 4% of Tax Credit Units under 6.1.A – Serving 40% AMI Tax Credit Residents or an additional 4% of Tax Credit Units under 6.1.B - Rent Reduction.

- C. Density.** *0 to 2 points*
Projects located in a census tract that has a low percentage of Tax Credit Units Placed-In-Service compared to the total number of households as shown in Appendix G – Tax Credit Unit Density.

- D. 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.
- E. High Quality Jobs Award.** *0 to 2 points*
 Projects located in cities that have received IEDA High Quality Job awards in the past 2 years as shown in Appendix I – High Quality Job Awards.
- F. Targeted Tenant Population for Individuals with Disabilities.** *1 point*
 Projects located in a county with a higher percentage of individuals with Disabilities based on the most recent 5-Year US Census Bureau ACS data as shown in Appendix J – Targeted Tenant Population.
- G. Iowa Thriving Communities.** *2 points*
 Projects located in cities designated as an Iowa Thriving Community as shown in Appendix Q – Iowa Thriving Communities. Cities may have targeted area boundaries that apply to this section. If these apply, Appendix Q will show the eligible areas.
- H. Site Appeal.** The Site Appeal scoring section is valued at a total of 5 points. The Applicant will provide the preliminary scoring and supporting information for each of the 12 categories in this section, but IFA will review and determine the final scoring. The category scores will be averaged and rounded to the nearest whole number (0 through 5) to determine the Site Appeal score for the Application. Misrepresentations in the preliminary scoring that are intentional or blatant as deemed by IFA may result in zero total points for the entire Site Appeal scoring section. Individual site scores will be averaged to determine the Site Appeal score for Scattered Site Projects.

Category 1 — Site Neighborhood			
<i>5 points</i>	<i>3 points</i>	<i>1 point</i>	<i>0 points</i>
The area within a 1/2 mile radius has experienced 2-3 examples of each residential and commercial new construction or renovation in the past 3 years.	The area within a 1/2 mile radius has experienced 1-2 examples of either residential or commercial new construction or renovation in the past 3 years.		

Category 2 — Neighborhood Location to Services			
<i>5 points</i>	<i>3 points</i>	<i>1 point</i>	<i>0 points</i>
Located within 1 mile driving distance of at least 4 of the following services: park, food bank or pantry, bank or credit union, police or fire station, convenience store or dollar store, pharmacy, or public library.	Located within 2 miles driving distance of at least 4 of the following services: park, food bank or pantry, bank or credit union, police or fire station, convenience store or dollar store, pharmacy, or public library.	Located within 2 miles driving distance of at least 2 of the following services: park, food bank or pantry, bank or credit union, convenience store or dollar store, pharmacy, or public library.	
Category 3 — Location to Grocery Store A specialty food store may not qualify as a grocery store.			
<i>5 points</i>	<i>3 points</i>	<i>1 point</i>	<i>0 points</i>
Located within 1/2 mile driving distance of a grocery store.	Located within 1 mile driving distance of a grocery store.	Located within 2 miles driving distance of a grocery store.	
Category 4 — Location to Daycare Center, Public School or Senior Center			
<i>5 points</i>	<i>3 points</i>	<i>1 point</i>	<i>0 points</i>
Located within 1 mile driving distance of a licensed daycare center or K-12 public school (family only) or senior center (senior only).	Located within 2 miles driving distance of a licensed daycare center or K-12 public school (family only) or senior center (senior only).		
Category 5 — Location to Public Transportation Fixed-route is a system of transport for passengers by group travel available for use by the general public, typically managed on a schedule. In cities without fixed route service, dial-a-ride or on-demand services will be eligible for points if they serve the general public. Taxis, Uber, or Lyft-type services are not eligible for points.			
<i>5 points</i>	<i>3 points</i>	<i>1 point</i>	<i>0 points</i>
Site is 1/4 mile walking distance from a bus stop for a fixed-route service that is available at least M-F. or Any city that does not have a fixed-route service and dial-a-ride is available at least M-F.	Site is 1/2 mile walking distance from a bus stop for a fixed-route service that is available at least M-F.		

Category 6 - Adjacent Properties			
5 points	3 points	1 point	0 points
Adjacent on at least 3 sides to existing developments in which at least one side is a residential neighborhood. Excludes areas with adjacent manufacturing or industrial facilities.	Adjacent on at least 2 sides to existing developments in which at least one side is a residential neighborhood. Excludes areas with adjacent manufacturing or industrial facilities.	Adjacent to an existing development. Excludes areas with adjacent manufacturing or industrial facilities.	
Category 7 — Noise from Adjacent Uses			
5 points	3 points	1 point	0 points
Quiet residential neighborhood.	Urban city noise. Urban city noise includes commercial and traffic noise.		Sites close to train tracks, airports, industrial, interstate, or other sources of excessive noise as determined by IFA.
Category 8 — Site Frontage			
5 points	3 points	1 point	0 points
Access to the site from local or collector road that has 2 lanes (excluding turn lanes), and speed limit not greater than 35 mph.	Access to the site from local or collector road that has more than 2 lanes (excluding turn lanes), but speed limit not greater than 45 mph.		
Category 9 — Public Paved Road Complete With Storm Drainage			
5 points	3 points	1 point	0 points
Publicly paved road is already in place and appropriately sized.	Publicly paved road is at the edge of the site but an extension or road widening is needed that is only a de minimus extension.		
Category 10 — Offsite Utilities			
5 points	3 points	1 point	0 points
Offsite utilities are appropriately sized and do not require an extension beyond normal connections.	Offsite utilities are at the edge of the site but only a de minimus extension is necessary.		

Category 11a —Ease of Site Development – New Construction			
5 points	3 points	1 point	0 points
Site is open, clear, and ready for construction.	Minimal tree clearing, minor demolition, or moderate slopes on site.		Steep slopes, potential site drainage problems, extensive retaining walls needed, extensive tree clearing demolition, or site needs contamination cleanup.
Category 11b —Condition of Buildings – Rehab and Adaptive Reuse			
5 points	3 points	1 point	0 points
Good	Fair		Poor
Category 12 —Projects with Historical Significance or Community Revitalization			
<i>All buildings must be eligible for historic credits for the 5 points or be part of the CCRP and in a QCT</i>			
5 points	3 points	1 point	0 points
Project has a National Park Service approved Part 2 application, and Federal and State Historic credits are included in the Application funding sources.		Each site is in a QCT where affordable housing is part of a Concerted Community Revitalization Plan (CCRP) that was last updated no longer than 5 years ago. Refer to the Glossary for definition for CCRP.	

6.3 MARKET APPEAL.

5 points maximum

The amenities shall be provided at no cost to the tenants. Unit specific amenities must be provided to all Units. Any market appeal selection for points shall apply to all residential buildings to be eligible for points, except Exterior Materials, which shall apply to all buildings in the Project. If a Scattered Site project, the selected amenities shall be provided at all sites.

A. Kitchen Pantry:

1 point

2 ft. wide full-height cabinet or closet with minimum 5 shelves in every Unit.

B. Walk-In Closets:

1 point

Available in at least 1 bedroom of every Unit including studio Units.

Walk-In Closets shall be a minimum of 5 ft. by 5 ft.

C. Fitness Center:

1 point

An exercise room available 24 hours a day, with commercial-grade cardiovascular health, strength training, and flexibility equipment.

- D. Playground:** *2 points*
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. Scattered Site Projects are not able to request points under this category.
- E. Patio/Balcony:** *2 points*
Each Unit shall include a patio or balcony.
- F. Free Heating:** *2 points*
Owner-paid heat for each Unit.
- G. Fenced Dog Walking Area:** *2 points*
Minimum 1,000 square feet with waste area.
- H. Storage Units:** *2 points maximum*
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. If Storage In Project is selected, Projects must provide one storage unit for each Unit.
1. Storage In Project; or *1 point*
 2. Storage In-Unit *2 points*
- I. Laundry (Acq/Rehab only):** *4 points*
Acquisition/Rehab projects that add or replace in-unit washers and dryers to all Units during the rehabilitation.
- J. Built-in Dishwashers (Acq/Rehab only):** *2 points*
Acquisition/Rehab Projects without built-in dishwashers that add built-in dishwashers to all units during rehabilitation.
- K. Olmstead Goals (Senior Projects Only):** *2 points*
Projects that provide at least 20% of the Units as accessible for persons with mobility disabilities (fully accessible and not adaptable or Type A). Units added under Olmstead Goals must comply with UFAS. For the purposes of determining the number of Units, fractional Units will be increased to the next whole Unit.
- L. Single Family, Duplex, or Townhome/Rowhouse:** *3 points*
At least 20% of the Project are single-family, duplex, or townhome/rowhouses where each Unit extends from foundation to roof. Family Projects may be 1 to 3 stories and Senior Projects must be 1 story. Each Unit has separate exterior entrances in both the front and rear of the Unit and some open space in a rear yard with a suitable patio that may be used by the occupants.

M. Exterior Materials:*5 points*

Each building in the Project shall have a minimum of 30% of the gross exterior (excluding window and door areas), of 4" nominal brick, 4" nominal stone, stucco over masonry, textured architectural CMU block, or pre-cast concrete wall panels. The remaining 70% shall be constructed of 100% fiber cement board siding, engineered wood with quality standards similar to Smartside, or concealed fastener metal siding. The buildings' soffit and fascia shall be pre-finished aluminum, fiber cement board, or engineered wood with quality standards similar to Smartside. Attics shall be vented, including soffits if applicable.

N. Energy Efficiency:

Projects that have Federal financing or assistance must comply with the applicable IECC standard applicable to their Federal program requirements. If a Project contains more than one Project type and is requesting points under this category, all buildings must meet the respective requirements.

1. New construction buildings meeting 2020 NGBS Gold Certification Requirements. *2 points*
2. New construction buildings meeting 2020 NGBS Emerald Certification Requirements. *3 points*
3. Acquisition/Rehab buildings meeting 2020 NGBS Silver Certification Requirements. *2 points*
4. Acquisition/Rehab buildings meeting 2020 NGBS Gold or higher Certification Requirements. *3 points*
5. Adaptive Reuse buildings meeting 2020 NGBS Gold or higher Certification Requirements. *3 points*

Any Project selecting points under this category will be required to submit a copy of the certification for each building at the time of IRS Form 8609 Application submission to verify that the scoring election has been met.

6.4 QUALIFIED DEVELOPMENT TEAM.

A. Tax Credit Experience.

0 to 3 points

Points available for one of the following categories under this section.

1. A Developer or Affiliate who was also the GP/MM or Affiliate thereof of the Ownership Entity of an Iowa Project may receive one point for each Iowa Project for which an IRS Form 8609 has been issued between January 1, 2016 through December 31, 2025 for the 2026 round, or between January 1, 2017 through December 31, 2026 for the 2027 round for a maximum of 3 points. All entities must currently be in good standing. *0-3 points*
2. A Developer or Affiliate who was also the GP/MM or Affiliate thereof of the Ownership Entity, of 3 projects for which an IRS Form 8609 has been issued between January 1, 2019 through December 31, 2025 for the 2026 round, or between January 1, 2020 through December 31, 2026 for the 2027 round. All entities must currently be in good standing. *3 points*

B. Developer, General Partner, or Managing Member Performance.

0 to -2 points

1. The Developer or General Partner/Managing Member, or affiliates thereof, of this Project has requested and received approval for a material change to a Tax Credit Project after January 1, 2025, in Iowa for the 2026 9% Tax Credit Round or after January 1, 2026 for the 2027 9% Tax Credit Round. *-1 point*
2. The Developer or General Partner/Managing Member, or affiliates thereof, of this Project has requested and received approval for an extension to the Carryover-Ten Percent Application Submission due date for a Tax Credit Project in Iowa in the last calendar year from the Application submission due date. *-1 point*

C. Closing Timeframe.

2 points

The Developer or General Partner/Managing Member, or affiliates thereof, of this Project, shall have closed one 9% Tax Credit Project in such role since January 1, 2023, for the 2026 Round or January 1, 2024, for the 2027 Round with their Syndicator/Direct Investor within 10 months of the issuance of the Award Letter.*

6.5 OTHER.

A. Iowa Title Guaranty.

2 points

Applicants shall use Iowa Title Guaranty from Tax Credit Award through IRS Form 8609 Issuance. The Ownership Entity shall obtain a Final Title Guaranty Owner Certificate on the real estate of the Project 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.

B. Existing Tax Credit Projects – Resyndication.

1 point

Existing Tax Credit Projects, in good standing with IFA, submitting a Tax Credit application for resyndication at the end of year 20 of the Compliance Period/Extended Use Period.

* Language revised on 09/17/2025 due to a scrivener's error; language differs insubstantially from Final QAP approved by the IFA Board on 08/06/2025.

SECTION 7. SELECTION CRITERIA AND AWARD PROCESS.

7.1 TAX CREDIT CALCULATION. IFA shall determine the amount of Tax Credits necessary for the financial feasibility of the Project through the information received during 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.

7.2 SELECTION CRITERIA. 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.

- A. **HOME with Tax Credits.** Tax Credit Projects requesting and eligible for a HOME award, will be offered a HOME award in the amount requested, up to the HOME per Project cap, in the same order in which such Projects are awarded Tax Credits in accordance with the Section 7 – Selection Criteria and Award Process until all HOME funds available for Tax Credit Projects have been awarded. Application for and a determination of eligibility for HOME is not a guarantee of a HOME or Tax Credit award. All Tax Credit with HOME funding is subject to the maximum total availability of HOME funds.
- B. **National Housing Trust Fund (NHTF) with Tax Credits.** Tax Credit Projects requesting and eligible for an NHTF award will be offered an NHTF award in the amount requested, up to the NHTF per Project cap, in the same order in which such Projects are awarded Tax Credits in accordance with the Section 7 – Selection Criteria and Award Process until all NHTF funds available for Tax Credit Projects have been awarded. Application for and a determination of eligibility for NHTF is not a guarantee of an NHTF or Tax Credit award. All Tax Credit with NHTF funding is subject to the maximum total availability of NHTF. A Developer is only eligible for one NHTF project award.

7.3 PRIORITIZATION OF REVIEW. Applications will be scored and ranked within each of the set-asides in the order listed below. If an Applicant is not awarded within a set-aside, except for the Innovation Set-Aside, the Applicant will be considered in the next set-aside applied for and then the General Set-Aside. In the event there are not enough qualified Projects to fill the Innovation, Preservation, or Rural Set-Asides, the remaining balance will be transferred to the General Set-Aside.

- A. Innovation Set-Aside
- B. Nonprofit Set-Aside.
- C. Preservation Set-Aside
- D. Rural Set-Aside.
- E. General Set-Aside.

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

- A. Projects that provide an opportunity for homeownership through the Iowa Renter to Ownership Single-Family Education (ROSE) Program.
- 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 that has not received an award of Tax Credits in Iowa for the longest period of time (per date of award for 9% Tax Credit awards or date of 42(m) issuance for 4% Tax Credit awards) within the last 7 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. Application requesting the least amount of Tax Credits per Unit.

- D. Project in a community that has not received a reservation of 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.
- E. Board Discretion.

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

7.6 ACCEPTANCE OF TAX CREDIT RESERVATION. The acceptance of the reservation and reservation fee shall be due no later than the date stated in the award letter.

7.7 WAITING LIST. The Board, in its discretion, may establish a waiting list and adjust the order on the waiting list for any reason. The waiting list shall expire no earlier than 90 days after the date of the Board approval.

7.8 UNRESERVED TAX CREDITS. Unreserved Tax Credits are Tax Credits that were not awarded by IFA during its most recent round of allocation or are returned to IFA during the current year. If Unreserved Tax Credits become available within 75 days after the date of the Notice of Tax Credit Reservation, IFA shall review all Applications placed on the waiting list to determine if there are sufficient Tax Credits to fund one or more new Projects on the waiting list. The award of Tax Credits to a Project on the waitlist requires Board approval. If Unreserved Tax Credits become available more than 75 days after the date of the Notice of Tax Credit Reservation, the Unreserved Tax Credits will be available in the next funding round, and the waiting list shall expire.

7.9 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.

7.10 REMEDIES ON APPEAL.

- A. If, following the appeal process set forth in Section 7.9 - 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 and considering Section 7.5 – Discretion by the Board, the Director may place the Project on a waiting list for Unreserved or returned Tax Credits.
- B. Once the waiting list created under Section 7.7 – Waiting List has expired, a Project that has been placed on the waiting list due to a successful appeal shall be awarded 5 points in the next 9% Tax Credit Round. To receive the additional points during the next 9% 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 the revocation of the Tax Credit Reservation, denial of the Carryover Allocation, withholding of the IRS Form 8609, or the issuance of an IRS Form 8823.

SECTION 8. CHANGES TO THE APPLICATION AFTER AWARD.

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. Material changes may be considered but shall result in an additional fee and future scoring penalty in the 9% Tax Credit Round if approved. Material changes are changes that 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, scoring, or special considerations that may require IFA Board approval.

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

- A. Changes to the Ownership Entity named after Tax Credit Reservation.
- B. Transfers of the Tax Credit Reservation or Carryover Allocation.
- C. Changes in the Qualifying Entity on the Qualified Development Team.
- D. Changes that increase the housing credit amount.
- E. Changes in Unit mix.
- F. Changes that lower the final score of the Project.
- G. Changes to the minimum set-aside election.
- H. Changes that decrease the applicable fraction per building.

SECTION 9. CARRYOVER ALLOCATION-TEN PERCENT TEST APPLICATION.

To qualify for a carryover allocation, the requirements set forth in Section 42(h)(1) and Treasury Regulation 1.42-6 must be met. The Ownership Entity must submit a complete Carryover Allocation-Ten Percent Test Application (10% Test Application) package through the online Application unless all buildings are placed-in-service and the IRS Form 8609 is issued in the same year as the Tax Credit award.

9.1 SITE CONTROL. The Ownership Entity shall provide evidence of site ownership or lease term of at least 35 years, including all parking, as part of the 10% Test Application package, and this ownership shall be continuous and uninterrupted through the issuance of an IRS Form 8609.

SECTION 10. 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 the Project is listed on Iowa's free rental housing locator at www.iowaHousingSearch.org.
- C. A commitment to notify the local public housing authority of all vacancies.
- D. The lease addendum required under Section 13.7 of this QAP.

SECTION 11. APPLICATION FOR 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.

11.1 MARKETABLE TITLE REQUIREMENT. The Ownership Entity shall provide adequate evidence that it has marketable title as determined by IFA in IFA's sole discretion. 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.

11.2 IRS FORM 8609. 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 IRS Form 8609. The Owner's completed IRS Form 8609 shall match the terms agreed upon in the LURA.

SECTION 12. CASUALTY LOSS AND COMPLIANCE.

12.1 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.

12.2 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.

12.3 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. During this period the federal minimum set-aside selected by the Applicant and the rent affordability requirements in Section 6.1 of this QAP apply, with the more restrictive of the set-asides applying to the Tax Credit Units. Any other rent and income restrictions required by other programs, including HOME, shall still apply as applicable

12.4 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. During the Extended Use Period, the rent affordability requirements identified in Section 6.1 – Affordability for Residents, cease applying, but the federal minimum set-asides set forth in the Code and selected by the Applicant shall continue to apply. However, the rent affordability requirements identified in Section 6.1 – Affordability for Residents, do not cease applying to a Unit until the tenant currently in said Unit and benefiting from the rent affordability requirements in Section 6.1 – Affordability for Residents, vacates the Unit. A tenant cannot be evicted just to cause the rent affordability requirements set forth in Section 6.1 – Affordability for Residents, to terminate as to that tenant's Unit. Any other rent and income restrictions required by other programs, including HOME, shall still apply as applicable.

SECTION 13. TERMS AND CONDITIONS.

The following terms and conditions apply to all Applicants and Projects that receive a reservation of 9% Tax Credits, Carryover Allocation, 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; (3) IFA's training guide; and (4) 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.

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

- A. IRC Section 42 as amended and the related Treasury regulations in effect as of the date this QAP is adopted by the Board.
- B. Iowa Code Section 16.35 and the rules promulgated by IFA to govern the Tax Credit Program in effect as of the effective date hereof.
- 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 IRC Section 42 and the related Treasury regulations;
 - 2. Second by Iowa Code Sections 16.4, 16.35, and the rules governing the QAP; and
 - 3. Third by the QAP.

13.2 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.

13.3 LAND USE RESTRICTION 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.

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

13.5 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. IFA uses public records from the Iowa Civil Rights Commission to search previous Civil Rights complaints.

13.6 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 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.

13.7 SECTION 504 OF THE REHABILITATION ACT OF 1973. To comply with Section 8.27 of Section 504 of the Rehabilitation Act of 1973, the Owner shall lease Accessible Units designed for persons with disabilities to tenants requiring the accessibility features of the Unit. The Applicant shall agree to require a lease addendum to be executed by a tenant(s) occupying that Accessible Unit, who does not require such Accessible features. In the lease addendum, the tenant shall agree to move to a comparable non-accessible Unit upon the request of the Owner with moving expenses to be paid by the Owner. The lease addendum shall be submitted no less than 120 days prior to the Placed-in-Service Date. The Property shall maintain the lease addendum throughout the Compliance Period and the Extended Use Period.

PART C – CONSTRUCTION REQUIREMENTS

SECTION 14. PRIOR TO INITIATION OF CONSTRUCTION.

14.1 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.

14.2 IFA PLAN REVIEW. The Ownership Entity shall submit final plans, specifications, and the energy audit or analysis, if applicable, to IFA upon completion but no later than submission of the 10% Application. IFA shall give written approval before the Ownership Entity commences site work or construction.

A. Initial Construction Package includes:

1. Initial Energy Audit from the Energy Consultant outlining how selected energy targets will be achieved or on track to be completed. 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 and architectural drawings.
4. Project manual or specifications including technical details.
5. Documentation of an enforceable minimum 1-year blanket construction warranty.

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

14.4 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 documentation of an enforceable minimum 1-year blanket construction warranty with the initial construction package 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. **Tenant Dedicated Common Space.** Tenant Dedicated Common Space must be limited to one per Project, clearly labeled on the submitted plans, made exclusive for tenants and guests of the Project, and its use defined in the Application. The Common Space may be incorporated within a residential structure, a stand-alone building, or outdoor space, and located entirely on the Property. Furnishings and design must be included and shall be conducive for those with hearing, vision, and mobility impairments, and must be on an accessible route. Minimum square footage must be 20 square feet per Unit up to the first 40 Units. Scattered Site Projects must have at least one site with a Tenant Dedicated Common Space.

4. **Sidewalks.** Concrete sidewalks providing access to a city public right-of-way from each entrance door.
5. **Trash Enclosures.** Any trash removal area shall be screened and reasonably located amongst the buildings. Enclosure design should be consistent with the appearance of the residential buildings of the Project.
6. **Internet Access.** High-speed internet wiring for broadband, wireless, or digital subscriber line for all Units.
7. **Video Security System.** The security system shall continually record activity at the site and be maintained for a minimum of 14 days. The System shall maintain the following features:
 - Exterior camera coverage shall include outdoor common areas, parking areas, and main entrances.
 - Interior coverage shall include corridors in such a way that all Unit entrances are covered, all levels of staircases, and all building exits.
 - Single family or buildings in a Scattered Site Project are required to have a Video Security System that provides, at a minimum, camera coverage of the front entrance and parking areas.
 - All cameras shall be hardwired to power to ensure no interruptions in recording.

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 a single material texture and color combination exceeding 70% of the siding: brick, fiber cement board siding, or engineered wood with quality standards similar to Smartside, and/or 2" nominal thickness manufactured stone over ½" substrate assembly (lath + scratch coating) and ½" layer of mortar bedding, 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 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 Acquisition/ 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. Main entrance requirements do not apply to Projects with building designs not listed herein.
4. **Roofs.** Sloped roofs shall have a 30-year Material Warranty and a 10-year Workmanship Warranty. Low-slope roofs shall have a minimum 60 mil TPO or EPDM thickness and a 20-year Material Warranty and 10-year Workmanship Warranty. 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 – Accessible Units shall have an additional peephole located no more than 43” from the floor. Non-primary entry door may be a sliding patio door.

C. Interior Construction.

1. **Appliances.** The kitchen shall have a cooktop, 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 (SRO) 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 be durable and meet ANSI/AWI standards for Custom Grade Cabinetry and have the KCMA A161.1 Quality Certification Seal or demonstrate they meet 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.** Refer to Appendix H – Energy Requirements, for more information.
6. **Minimum Bathroom Accessories:**
 - Towel bars within reach of the sink and the tub/shower.
 - Toilet paper holder.
 - Shower curtain rod (if applicable).
 - Mirror.
 - Cabinet with drawers, shelf space, or medicine storage cabinet.
 - Hot water and drainpipes under sinks shall be insulated or otherwise covered. There shall be no sharp or abrasive surfaces under sinks.
7. **Carpeting.** If installed, carpets shall be 100% nylon, nylon/olefin blend, or triexta. Fully Accessible Units shall have a maximum ¼-inch pile.
8. **Resilient Flooring.** ⅛-inch vinyl composition tile with color and pattern full thickness, LVT, sheet vinyl, linoleum flooring, tile flooring, bamboo, wood, or polished non-slip concrete.
9. **Resilient Flooring for Bathrooms.** LVT, sheet vinyl, linoleum flooring, polished non-slip concrete, 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. **Energy Standards.** IFA's minimum energy standards are the 2020 National Green Building Standards (NGBS) for Projects awarded under this QAP. See Appendix H – Energy Requirements for more information.
2. **Heating and Air Conditioning.** All Units, hallways, common areas, and enclosed corridors shall be heated and air conditioned. Heating and air conditioning equipment must meet or be equivalent to the current energy standards as detailed in Appendix H, Energy Requirements. Window units are not allowed. Electric resistance heating is not allowed as the primary heating source for new construction or adaptive reuse and must be approved at 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.
3. **Water Heaters.** Water heating equipment shall meet or be equivalent to the current energy standards as detailed in Appendix H – Energy Requirements.

14.5 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. **Unit Size.** All Units shall be at least a 1 Bedroom.
 1. 1 Bedroom Units shall be at least 600 net square footage. Unit net square footage is measured face of wall to face of wall of the unit's perimeter walls. The total of all spaces in the Unit measured this way must exceed the minimum Unit net square footage. This does not include balconies or patios. Public area square footage is measured face of wall to face of wall. Building gross square footage is measured from the outside face of the building perimeter walls and includes balconies.
 2. All Units of the same bedroom size shall not differ in more than 150 net square feet.
- C. **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).
- D. **Laundry.** Each Unit must have an enclosed washer and dryer (accessible side by side units if applicable). Dryers must be vented to the building exterior and the exhaust duct must terminate no less than 3' in any direction from openings into buildings, including ventilated soffits.
- 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.** Refer to Appendix H – Energy Requirements.
- H. **Radon System.** All new construction or adaptive reuse 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 exceed permissible thresholds. Refer to Appendix F – "Radon Control Methods" in the 2018 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 15 – Building Standards.

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

14.6 MINIMUM DEVELOPMENT CHARACTERISTICS – ACQUISITION/REHAB. Rehabilitation Construction shall 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 and bringing accessible Units up to code.
 2. Installing or replacing sidewalks and re-surfacing or re-paving parking areas.
 3. Replacing roof shingles and gutters, sealing brick veneers, applying exterior paint, installing new durable siding, or upgrading landscaping or fencing.
 4. Upgrading interior and exterior lighting with Energy Star rated fixtures.
 5. Improving heating and cooling units, plumbing fixtures, water heaters, toilets, sinks, faucets, and tubs/showers to meet minimum efficiency standards for new construction.
 6. Improving quality of interior conditions and fixtures, including flooring, interior doors, painting, drywall repairs, cabinets, appliances, windows, and window coverings to meet minimum standards for new construction.
 7. Upgrading electrical circuits to have GFCI outlets at kitchens, baths, laundries, and other applicable locations.

Any newly installed, replaced, or upgraded items must meet the standards set in 14.5 – Minimum Development Characteristics – All Projects.

- B. **Energy Requirements.** Refer to Appendix H – Energy Requirements.
- 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/CO2 Detectors.** Install or replace all smoke detectors/CO2 detectors, and these shall have a 10-year battery if not hard wired to a centrally monitored or supervised alarm system.
- E. **Radon System.** All Acquisition/Rehab or 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 2018 International Residential Code.

F. Accessibility.

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 (Units with Accessible Communication Features). Refer to Section 15 – Building Standards.
3. If an existing housing project will include new construction buildings, each new construction building must have fully accessible units to get the project to the 10% fully accessible unit requirement for New Construction projects as set forth under this QAP.

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

SECTION 15. 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 of the QAP minimum building standard requirements listed below. In an instance where more than one code applies to a Project, the more restrictive code language applies.

- A. 2024 International Building Code published by the International Code Council as adopted by Iowa Administrative Rule chapters 201 and 301.
- B. 2024 International Existing Building Code published by the International Code Council as adopted by Iowa Administrative Rule chapters 301 and 350.
- C. 2024 International Residential Code published by the International Code Council as adopted by Iowa Administrative Rule chapter 301.
- D. 2024 International Fire Code published by the International Code Council as adopted by Iowa Administrative Rule chapter 201.
- E. 2021 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. 2018 International Energy Conservation Code adopted by the International Code Council.
- I. 2020 National Green Building Standard adopted and published by the International Code Council (ICC-2020 NGBS).
- J. Any 3 story or lesser new construction LIHTC Project that includes Federal financing such as HUD or Rural Development ("USDA") shall comply with 2021 IECC.
- K. Any 4 story or greater new construction LIHTC Project that includes Federal financing such as HUD or Rural Development ("USDA") shall comply with ASHRAE 90.1-2019.
- L. Iowa Administrative Rule, including but not limited to the following Chapters: 300 (Administration), 426 (State Mechanical Code), 400-404 (State Electrical Code), and 425 (State Plumbing Code).
- M. Uniform Federal Accessibility Standards provided in 24 CFR Part 8 and delineated in the American National Standards Institute Standard 2009 A117.1.
- N. 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.
- O. 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.
- P. Section 504 of the Rehabilitation Act of 1973, as amended, regarding accessible Unit requirements for dispersal, new construction, and alteration of housing.

- Q. 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.
- R. 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 (HOME or 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; or (v) is a consultant 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).

Carryover Allocation Agreement: The document that contains the Ownership Entity's election statements for an allocation of Tax Credit Reservations by IFA pursuant to IRC Section 42(h)(1)(E) and Treasury Regulations, Section 1.42-6.

Concerted Community Revitalization Plan: Projects located in a QCT and entirely within the defined geographical boundaries of an area for which a CCRP exists, may be eligible to request Site Appeal points under Category 16 if all requirements listed below are met, as determined solely at IFA's discretion:

1. A copy of the CCRP must be submitted with the Application as Exhibit 1S-16.
2. The CCRP must have been formulated more than 6 months from the Application submission due date. Comprehensive and Consolidated Plans, outdated plans, and plans completed in the prior 6 months of the Application submission due date are not permitted. If the CCRP is older than 5 years, an update must be provided to describe progress and setbacks within those 5 years.
3. The CCRP Area ("Area") must be clearly defined in the plan and specify the geographical boundaries within a city for which the CCRP was solely developed. The Area may not encompass an entire city.
4. The CCRP shall also include, at a minimum:
 - a. Description of the revitalization needs and strategy for securing non-housing investment and demonstrates the need for revitalization. The plan should describe existing structures, existing infrastructure, demographics, and economic characteristics of the Area.
 - b. Description of the need for housing development that includes market rate and affordable housing.
 - c. Identification of community partners and committed and/or planned funding sources (both public and private and federal and state).
 - d. Revitalization goals, measurements of progression to goal attainment, identification of barriers, and steps to be taken to overcome the barriers; and
 - e. Description of community outreach and input that occurred in developing the CCRP.

Disability: At least one of the following criteria: (1) has a physical, mental, or emotional impairment that 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 that 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 3 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 that reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that 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 that 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)/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)(1). 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](#).

ROSE Program: A Renter to Ownership Single-Family Education (ROSE) Program. For further explanation, refer to Appendix M – ROSE Program.

Rural: Any city or county located in this state, except those located wholly within 1 or more of the 11 most populous counties in the state, as determined by the most recent population estimates issued by the United States Census Bureau. Iowa Data Center - Population Estimates [Annual population estimates: Vintage 2023 :: Iowa State Data Center \(iowadatacenter.org\)](#)

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 Carryover Agreement, 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.

Townhome/Rowhouse: a single-family dwelling Unit constructed in a group of three or more attached Units in which each Unit extends from the foundation to roof and can be one to three stories. A Townhome/Rowhouse is designed so that each Unit has a separate exterior entrance and some open space in a rear yard that can be used by the occupants.

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, air conditioning, water heating, water, trash, and sewer service.



Iowa Finance Authority

1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315

515.452.0400

800.432.7230

housingtaxcredits@iowafinance.com