

AGENDA

- 1. Introductions**
- 2. Iowa Title Guaranty**
- 3. SHPO/State Historic, if applicable**
- 4. Construction**
 - **Energy Requirements**
 - **Construction Requirements**
 - **Construction Tab**

- All documents to be uploaded to this Tab as well as all deficiency responses. Do not send via email.
- 5. Post Closing Submittal**
- 6. Prior to Placed-in-Service Package Submittal**
- 7. IRS Form 8609 Application Package**
- 8. Change Request, Extension Request, and Assignment Tabs**
- 9. Questions/Answers**

LIHTC 2025 UPDATED THRESHOLD CONSTRUCTION REQUIREMENTS OVERVIEW

This includes general IFA requirements for Construction. There are other requirements for the IRS Form 8609 Application. A red **x** will appear on the Assignments Tab of the Application when a task is due such as the initial or final construction package. Refer to Construction Tab Instructions.

A. INITIAL CONSTRUCTION PACKAGE

Upload to the Construction Tab prior to the start of Construction. IFA approval required prior to commencing construction. Construction Package will be reviewed for: QAP requirements and amenities listed in the application.

1. Initial Energy Report from Energy Consultant that confirms approach meets Energy Star Single Family New Home (SFNH) or Multifamily New Construction (MFNC) prescriptive standards and target HERS rating for new construction & adaptive re-use projects or meets required energy standard targets for rehab projects.
2. Letter from architect or engineer certifying coordination occurred with the energy consultant and the design complies with IECC 2015.
3. Capital Needs Assessment (Acq/Rehab, Rehab Only).
4. Project Manual and Specifications.
5. Complete set of Architectural Plans and Civil Drawings – **submit in electronic pdf format.**

B. PRECONSTRUCTION MEETING

1. An IFA representative shall attend a contractor/developer construction meeting at or near the beginning of construction. Notify IFA Construction Analyst at least 2-weeks prior to the pre-construction meeting.
2. Construction Tab:
 - Upload a copy of the project schedule to the Construction Tab.
 - Enter the emails for individuals that will need to be copied on Construction correspondence on inspections and document reviews.
 - Enter the construction start date.
 - Enter the pre-construction meeting date.
 - Enter the percent construction complete throughout the construction process.
3. Provide contact information of the people IFA will work with in the field, including the Contractor, Owner, Architect, Energy Consultant, Developer Consultant.

C. INSPECTIONS

Provide timely notifications to IFA for the pre-sheet rock inspection, progress inspections, and the final inspection, as applicable to the project, to prevent a charge for a missed inspection.

New Construction and Adaptive Re-use

1. **Foundation:** Pictures shall be emailed to Chris.Widmer@iowafinance.com of the vertical foundation insulation installation and under slab prep work to verify structural design consistency and insulation placement meets energy standards.
2. **Pre-Sheet Rock:** An inspection shall be scheduled before sheet rock and insulation are installed, to view mechanical, electrical, and plumbing installations, review fire ratings, and determine that under slab fixtures such as the radon mitigation system has been effectively installed.
3. **Progress:** An inspection may be held between rough-in and final inspection to review the general progress of construction and verify that IFA requirements for unit finishes are meeting QAP product, material, and threshold standards.
4. **Final:** An inspection shall be held after punch list and before Occupancy on new construction and after a COSC is issued on rehab projects.

Rehab Projects will have three to four **progress inspections plus the final** inspection. The developer may only receive a copy of the final inspection. For foundation, pre-sheet rock, and progress inspections, notification will only be delivered by exception, i.e. if significant corrections are needed.

Inspection Communication

1. All inspection reports will be sent through TAC and include information on deficiencies and follow-up items to be completed prior to the next inspection.
2. Any person responding to deficiencies, including members of the contracting team, energy consultants, or developers or will need to have a username for the online Application system. A link can be sent to any contact to set up access to TAC. Requests will need to include "Construction Upload" as the reason for the request. Additional details can be found in the Construction Tab Instructions.

Other Inspection Considerations

1. Additional fees may be charged for failed or missed inspections that occur when inspectors are unable to inspect the site at the time scheduled or if additional inspections are scheduled to review the same items missed from previous inspections.
2. Additional inspections may be required for scatter sites and large phased sites with buildings that are under construction at different times over the course of the project. Developers and contractors will need to communicate with IFA staff the need for additional inspections to avoid failed or missed inspections.

D. **ACCESSIBILITY**

For new construction projects, at least 10% of units (5% for Acq/Rehab projects) or at least 1 unit (whichever is greater) shall be designed for persons with mobility disabilities constructed in accordance with the Uniform Federal Accessibility Standards (UFAS). An additional 2% of the units (or at least 1) shall be designed accessible for persons with hearing or visual disabilities in accordance with ANSI 2009 ICC A117.1 Chapter 10 Section 1006 Units with Accessible Communication Features.

E. **FEDERALLY FUNDED PROJECTS**

Projects receiving additional funding through programs such as Federal HOME and NHTF may be subject to stricter building standards and will be reviewed and inspected accordingly.

F. FINAL CONSTRUCTION PACKAGE

1. For Adaptive Reuse and New Construction ONLY: a final energy report verifying a HERS rating of 70 or less and Energy Star checklist must be submitted to verify the performance of the units.
2. For existing structures ONLY: at the completion of the rehabilitation, a follow up energy report is required to verify rehabilitation work has incorporated the elements of the energy audit and report.
3. A copy of Certificate of Occupancy or Architect's Substantial Completion form must be submitted.
4. Radon Tests must be submitted.
5. Initial and final executed pay application with schedule of values must be submitted.
6. An up-to-date floor plan or diagram verifying the location and count of all accessible units must be submitted.

2025 LIHTC ENERGY REQUIREMENTS

This guideline is not intended to be all inclusive. The Development team is responsible to ensure all Qualified Allocation Plan (“QAP”) requirements are met.

Note: When the preliminary Energy Consultant report, required for all projects, shows requirements that exceed ES, IECC or IFA, those Energy Consultant requirements must be met.

A. MANDATORY SUBMITTALS REQUIRED FOR A LIHTC PROJECT

1. Initial Construction Package Prior to Start of Construction

All Projects shall provide a certification letter from an engineer or architect that confirms they met with their energy consultant and Ownership Entity to confirm that the design meets the applicable IECC.

a. New Construction & Adaptive Reuse:

- Initial Energy Report, verifying the design will meet or exceed prescriptive standards for Multi Family New Construction (MFNC) or prescriptive standards for Energy Star Certified Homes except where those requirements have been reduced in the QAP and a Home Energy Rating Systems (HERS) Index of 70 or less from a certified rater in Iowa.

b. Acq/Rehab, Rehab:

- An energy audit conducted by a certified home energy rater that shows the project will meet the appropriate specifications, IECC standards, and any other alternate cost-effective energy improvements including using Energy Star of replaced appliances and equipment.

c. Historic Projects:

- An energy audit conducted by a certified home energy rater that shows the IECC standards will be met for replaced/modified items, Energy Star for appliances and equipment.

2. Final Construction Package at End of Construction

a. Energy Star Certificates and New Construction and Adaptive Reuse Projects

Provide the following ES Checklists:

- HVAC Design Report
- HVAC Functional Testing Checklist
- Rater Design Review Checklist
- Rater Field Checklist
- Water Management System Requirement Checklists

b. Final Energy Report verifying HERS ratings or IECC compliance. This report must also confirm that insulation walk thru prior to sheet rock installation was executed and passed by the energy consultant. If applicable, the report should also take into account any Market Appeal Energy Efficiency scoring elections or any Federal program’s energy requirements that may exceed LIHTC requirements.

- For New Construction: Energy Star SFNH v3.1 (Rev. 14) or MFNC National v1.1 (Rev. 05) as applicable, IECC, and HERS 70 or less.
- For Rehab: building(s) meets IECC standards.
- For historic: IECC for replaced/modified items and construction work.

If a unit fails to achieve the required HERS rating, RESNET Sampling Protocol shall be followed.

B. REQUIREMENTS

1. All new construction elements shall meet Energy Star - Cold Climates (2015 IECC Zones 5 and 6)
2. **Heating and Cooling** equipment shall meet or exceed current Energy Star standards or the standards that were existing at the time the project was awarded.
3. **Water Heater** equipment shall meet or exceed the current Energy Star energy efficiency standards.
4. **Building Envelope**
 - Quality-Installed Insulation and Insulation levels – Insulation shall meet or exceed 2015 IECC levels and achieve Grade I installation per RESNET standards.
 - For new construction, infiltration rates shall be less than or equal to 4 ACH50.
 - Fully Aligned Air Barriers - At all thermally insulated locations a complete air barrier shall be provided that is fully aligned with the insulation.
 - Continue thermal bridging measures at attics and slabs, penetrations, ducts, doors, windows and all points in the building envelope that easily allow heat to pass through.
 - Insulate slab edge R10, 2 feet deep minimum in Zone 5, 4 feet deep minimum in Zone 6
5. **Windows, Doors, and Skylights** shall meet Energy Star prescriptive standards but may be reduced to meet historic requirements as necessary. Any modifications from the required U-Factor must be approved by staff.
6. **Thermostat & Ductwork**
 - Thermostat shall meet energy star requirements unless thermostat controls a zone with radiant heat, for which manual thermostat is allowed.
 - Ducts in unconditioned attics shall have insulation = R-8.
7. **Lighting & Appliances**
 - Where refrigerators, dishwashers, washers, dryers and ceiling fans, or exhaust fans are installed, products shall be ENERGY STAR certified.
 - ENERGY STAR certified light bulbs or fixtures shall be installed in 80% of RESNET-defined Qualifying Light Fixture Locations.



CONSTRUCTION TAB INSTRUCTIONS

All correspondence regarding the construction documents uploads and deficiency correspondence must be completed on this Tab.

Users

1. Individuals uploading construction documents (if not the application creator) must have an individual user name. A user name request may be submitted at: [Tax Credit Application and Compliance \(TAC\) \(iowafinance.com\)](https://www.iowafinance.com/TaxCreditApplicationandComplianceTAC). The reason for the request should be "Construction Document Upload". Once a user name has been approved and assigned the Construction Document Upload role, an approval email will be sent to the user.
2. The application creator must grant the user name access to the application(s).
 - Go to the "View" Tab on the top of the Application and Select MyIFA Account
 - At the bottom under Authorized Users, select 'Add New Authorized User'. Enter the user name and select the radio button for Review and Upload Construction Documents.
 - Select Continue to select the application(s) to grant the user access.

Construction Status

1. Enter email addresses for all individuals that should receive communications on inspections and the construction documents.
2. Enter the construction start date and the pre-construction meeting date.
3. Enter the percent construction complete throughout the construction process (update periodically).
4. Upload the Construction Schedule (may be updated as needed).

Construction Packages

A. Initial Construction Package

1. For 9%, an assignment will be created after Reservation Accepted for the Owner/Development Team to enter the emails of the construction contacts and persons for whom the IFA Construction Analyst will need to communicate with regarding any construction document or inspection. Complete this assignment by entering the emails under the Construction Status heading on the Construction Tab prior to submitting the initial construction package. The assignment will appear after 4% Projects are awarded.
2. An assignment will also be created for the initial construction package (not for each individual document) and will remain open until all required documents have been uploaded separately.
3. IFA's Construction Analyst will receive an automated email whenever Construction Package items are uploaded or a deficiency response is submitted.
4. When comments are submitted after the plans are reviewed a Deficiencies heading will be created where Deficiency responses shall be submitted, along with uploads of corrected documents.

4% POST-CLOSING SUBMITTAL

Submit the post-closing submittal no later than **30 days of Syndicator/Direct Investor closing**. Plans and specifications should have been submitted and approved by IFA prior to submission of the post-closing submittal and prior to the start of construction. IFA will not provide written approval of the submission; however, clarification on the submission may be requested.

All changes must be submitted through the Application (Request a Change Tab). The final plans and specifications must reflect the Application, and the legal description must be correct.

INSTRUCTIONS

1. Log in to the Application. On the Application Section and Management screen, select the applicable Project Application.
2. Enter the Bond Issuance Date on the Project Description Tab.
3. Update the Ownership Entity Components on the Ownership Entity Tab as well as the Syndicator/Direct Investor on the Qualified Development Team Tab. If there's a special limited partner, that must be entered on both tabs as well.
 - Make sure to enter the correct type – Syndicator or Direct Investor.
 - These entities should match the Ownership Entity's partnership agreement with the syndicator/direct investor.
4. Update the Site Control Tab with Ownership Entity name as well as the related questions.
5. Update the Buildings Tab with the type of control. (Required for each Building)
6. Add the legal description on the Site Description Tab if it was not already entered in the initial application.
 - Must match the Title Opinion or Iowa Title Guaranty Certificate exactly.
7. If lender has changed, update the Funding Source Tab.
8. Select the Post-Closing Tab and enter the following:
 - Syndicator/Direct Investor Closing Date; Acquisition date (if applicable); and Recorded deed and/or lease date(s)
9. Answer the question, "Have there been any changes to the legal description for the Project since IFA issued the Section 42M letter?" If yes, provide a detailed explanation on why the legal description has changed.
10. Enter the year the IRS Form 8609 Application Package shall be submitted to IFA.
11. Select Exhibits Tab and upload the following:
 - Exhibit 2PC – Recorded Deed/Recorded Lease
 - Exhibit 3PC – Executed Partnership or Operating Agreement, including all attachments and amendments
 - Exhibit 4PC – Settlement Statement executed by all necessary parties
 - Exhibit 5PC – Final certified ALTA Survey (must be signed, dated, and legal should match Exhibit 2PC)
 - Exhibit 6PC – Final Title Opinion/Title Policy (abstract certification date needs to be recent and title needs to match Ownership Entity from the initial accepted IFA Application)
 - Exhibit 7PC – Updated/Current Organizational Chart (Must match initial accepted IFA Application unless a change request has been submitted and approved by IFA)

REMINDER ON ESTABLISHING THE GROSS RENT FLOOR

Gross Rent Floor: If the Owner plans to designate a building's Placed-in-Service date as the effective date for establishing the Gross Rent Floor, make sure the box is checked in the Application on the Project Description Tab under "*Owner Elections for Establishing Gross Rent Floor and Applicable Percentage*" **and** Exhibit 21T (IFA form required) is uploaded to the Exhibits Tab **no later than the building's Placed-in-Service date**. If the requirement is not met, the Gross Rent Floor shall be established as of the date of IFA's Section 42M letter.

- Exhibit 21T can be generated on the Exhibits Tab once the box is checked on the Project Description Tab.

Prior to Placed-in-Service Documents

The Prior to Placed-In-Service tab in TAC has been updated and requires both the anticipated leasing date as well as the targeted Placed-In-Service date.

There is a space on the Prior to Placed-In-Service tab now to input all associated email addresses that need to be part of the communication. As all communication regarding these documents will now happen through TAC and not via email, be sure that your property management team has a username for TAC.

The [Affirmative Fair Housing Marketing Plan Guide](#) is available both on the Prior to Placed-In-Service tab and the IFA website for property management and developers to review prior to submitting any documents.

A reminder that projects cannot submit an 8609 application without IFA's acceptance of the Prior to Placed-In-Service documents.

Upload Requirements:

1. Affirmative Fair Housing Marketing Plan including maps, signage, and marketing materials.
 - Affirmative Fair Housing Marketing Plan (Current HUD Form 935.2A)
 - Census maps used to complete the AFHMP
 - Property ads and brochures
 - Picture of property sign, picture of draft sign design, or statement and explanation as to why the property will not have a sign. EHO Logo should be shown as part of the signage.
2. Lease and all lease addenda, including VAWA forms and Accessible Unit Addendum.
 - HUD form 5380 - Notice of Occupancy Rights under VAWA
 - HUD form 5381 - Project-specific Emergency Transfer Plan that includes local contact information,
 - HUD form 5382 - Certification of Domestic Violence, Sexual Assault, or Stalking and Alternate Documentation
 - HUD form 5383 - Emergency Transfer (if emergency transfer plan requires written notification to request a transfer)
 - HUD-91067 - Lease Addendum.
 - IFA form - Acknowledgement of Receipt of Form HUD-5380 and Form HUD-5382
3. Tenant Selection Plan, house rules, and resident policies and procedures.
 - If PSH units are included, the IFA Form for QSP signoff on the TSP is required as well.
4. IowaHousingSearch.org ads for each bedroom size.
5. Written commitment between the Project and the PHA.
 - If a Project is a Scattered Site Project located in multiple PHAs, a written commitment needs to be provided for each PHA.

CHANGE REQUESTS

All change requests must be submitted through the Application. You may contact a staff member with questions on whether a change request is required; however, do not implement changes without first receiving IFA's approval through the change request process.

A. REQUESTING REVIEW OF PROPOSED CHANGES THROUGH THE ONLINE APPLICATION

1. Select "Request a Change."
2. Complete the Request a Change Tab, including uploading applicable exhibits.
3. Submit.

B. NOTIFICATIONS

1. IFA will review the proposed changes and provide one of the following email notifications:
 - a. Change request accepted – make the change in the Application prior to next Application submittal
 - Application returns to previous Application version/status
 - b. Change request denied
 - Application returns to previous Application version/status
 - c. Change in Application and exhibits required
 - Application automatically goes to Change in Work upon LIHTC Director acceptance of the change request.
 - d. Material Change in Application and exhibits required
 - Application automatically goes to Change in Work (material) upon LIHTC Director acceptance of the change request.
2. If a Change or Material Change in Application submission has deficiencies, a Deficiency Report will be sent. An email notification will also be sent for approvals and denials.

C. CHANGE IN APPLICATION

1. Enter the changes in the Application and upload applicable exhibits and select submit.
2. If notified of a Deficiency Report, enter responses in the Deficiency Report, complete the requested actions listed in the Deficiency Report, and select submit.
3. IFA will provide notification as listed above in B.(2.). No fee is charged.

D. MATERIAL CHANGE IN APPLICATION

Approved material changes will result in a loss of one point for a Developer or General Partner/Managing Member.

1. Enter the changes in the Application and upload applicable exhibits and select submit.
2. If notified of a Deficiency Report, enter responses in the Deficiency Report, complete the requested actions listed in the Deficiency Report, and select submit.
3. IFA will provide notification as listed above in B.(2.)
4. If approved, submit payment of the material change in application fee on the Fees Tab. Refer to QAP for fee amount.