

2027 LIHTC INNOVATION SET-ASIDE QUESTIONS AND ANSWERS

New Q&A in red.

QAP Section	Question	IFA Answer
<b>1.2 – Set-Asides</b>	If an applicant under the Innovation Set-Aside is unsuccessful, are they still able to apply in the regular 2027 9% round?	A Developer may apply for a project under the regular 9% round if unsuccessful in the Innovation Set-Aside pre-application, but the project may not substantially be the same. If the only adjustment to the project is to meet the QAP requirements, IFA would likely consider this to be substantially the same project.
<b>A – Innovation Set-Aside</b>		
	The dates referenced in the current round materials point to dates that have already passed. Is there information available about the 2027 Innovation Set-Aside dates?	A webinar will be held on February 18, 2026 with more information, and IFA anticipates the pre-application for the Innovation Set-Aside will be available around that time in TAC. A recording of the webinar is available on the Housing Tax Credit Resource Page. The Innovation Set-Aside pre-application must be submitted no later than May 1, 2026 at 4:30 pm Central Time.
	If a project is successful and awarded under the Innovation Set-Aside, is the award a one-time award of up to \$1 million in Federal Tax Credits, or is it a standard LIHTC award of up to \$1 million per year for 10 years?	It is a standard LIHTC award. Under the Second Amended 2026-27 9% QAP which was approved by the IFA Board on February 4, 2026, the 2027 Innovation Set-Aside project is eligible for up to a \$1.4 million LIHTC award as well as up to a 30% Basis Boost as well.
	How many Innovation Set-Aside pre-applications does IFA typically receive in a year?	It has varied depending on year; historically anywhere between 5-12 pre-applications have been submitted.

Posted 03.20.2026

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<b>4.2 – Project Funding Sources</b>		
	Can HOME-ARP be used by the 2027 Innovation Set-Aside applicant?	HOME-ARP does not have a combined funding application option with 9% Projects. If the Innovation Set-Aside applicant is planning to apply for and use HOME-ARP dollars, these must be secured before submitting their full 9% Application.
<b>F. National Housing Trust Fund (NHTF)</b>	Can NHTF be used by the 2027 Innovation Set-Aside applicant?	IFA is not yet sure if NHTF dollars will be available at the time of the 2027 9% Application cycle. If NHTF dollars are available, the Innovation Set-Aside applicant may apply for these as well in their full 9% Application.
<b>Section 5 – Basis Boost</b>	Since the Innovation Set-Aside winner qualifies for a 30% Basis Boost under Section 5.8, is the maximum award \$1,400,000 or \$1,820,000?	The maximum project award for the Innovation Set-Aside applicant in 2027 is \$1,400,000 inclusive of the boost – the max does not get increased beyond the \$1,400,000.