



IOWA FINANCE AUTHORITY

Iowa Finance Authority Low-Income Housing Tax Credit Program 2016 9% Qualified Allocation Plan

SECTION 1. INTRODUCTION

Thank you for your interest in the Low-Income Housing Tax Credit (LIHTC) Program. The Iowa Finance Authority (IFA) administers this program in Iowa, as specified in Iowa Code Section 16.35. In accordance with Section 42 of the Internal Revenue Code (the Code), IFA has developed this Qualified Allocation Plan (QAP) to establish the criteria and process for the allocation of the housing Tax Credits to Qualified Residential Rental properties in Iowa. IFA will implement the QAP following approval of the QAP by the IFA Board of Directors. Final approval of the QAP by the Governor shall be a precondition to the execution of any Carryover Agreement under this QAP. This QAP shall govern the allocation year 2016.

The QAP consists of:

- Part A-Requirements for Nine Percent (9%) Tax Credits.
- Part B-Terms and Conditions.
- Appendix 1-Threshold Requirements for Building, Construction, Site and Rehabilitation.
- Appendix 2-Glossary of Terms.

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.

To the extent possible, the following schedule applies to the Tax Credit Reservation Application process for nine percent (9%) Tax Credits:

Tax Credit Reservation Schedule		
Step 1	Rules and QAP become final	Upon adoption and filing of the rules
Step 2	2016 Application Package becomes available	On or about October 14, 2015
Step 3	Mandatory Developer Application training session	On or about October 19, 2015
Step 4	Nonprofit set-aside exhibits due to IFA (if applicable)	On or about November 6, 2015
Step 5	Application due to IFA	December 7, 2015 by 4:30 PM
Step 6	IFA Tax Credit Reservation recommendations presented to Board	March 2016 IFA Board of Directors meeting

Step 7	Issuance of 2016 Carryover Agreements	On or about May 31, 2016
Step 8	Ten percent (10%) Test Submission due: Ownership Entity incurs ten percent (10%) of the Project's reasonably expected basis	10 months following date of Carryover Agreement
Step 9	IRS Form 8609 Application Package due to IFA	By October 15 of the first year credit period

PART A – REQUIREMENTS FOR NINE PERCENT (9%) TAX CREDITS

SECTION 2. TAX CREDIT RESERVATION AND ALLOCATION PROCESS

2.1 Amount of Tax Credits to be Allocated. The amount of annual Tax Credits (“Per Capita Tax Credits”) allocated is based on a per-capita amount derived from population estimates released by the Internal Revenue Service (IRS). In allocation year 2015, IFA’s Per Capita Tax Credit authority was \$7,146,389. The 2016 Per-Capita Tax Credit amount is yet to be determined. In addition to the Per Capita Tax Credits, IFA may have returned Tax Credits from previous Tax Credit years to allocate. IFA may also elect not to allocate a de minimis amount of Tax Credits.

2.2 Set-Asides. There will be one pool of Tax Credits with five set-asides in 2016. These set-asides are Nonprofit, Preservation, Senior, Rural and the Housing for the Homeless Demonstration. The Housing for the Homeless Demonstration set-aside will not be available for this competitive Application round. After \$800,000 is allocated to the Homeless Demonstration set-aside, IFA will fund the Nonprofit, Preservation, Senior and Rural set-asides and the remaining Tax Credits will be awarded in the General Pool. An Applicant may apply for the Nonprofit, Preservation, Senior and Rural set-asides, and if those set-asides are filled and the Project remains unfunded, the Project may compete in the General Pool. For 2016, the set-aside percentages are:

2.2.1 Nonprofit Set-Aside. Ten percent (10%) of all available Tax Credits are set-aside for Qualified Nonprofit Organizations. This Tax Credit amount cannot be used for any other purpose. Entities seeking an award of Tax Credits from the Nonprofit Set-Aside shall submit the Nonprofit Set-Aside exhibits through the on-line Application, no later than November 6, 2015. IFA reserves the right to conduct due diligence to determine whether an Entity is a Qualified Nonprofit Organization.

The Applicant is required to demonstrate the involvement of a Qualified Nonprofit Organization. To qualify, the Nonprofit shall meet the following requirements:

1. The Nonprofit shall have an IRC Section 501(c)(3) or an IRC Section 501(c)(4) designation from the IRS and be qualified to do business in Iowa.
2. The Nonprofit cannot be formed for the principal purpose of being included in the Nonprofit Set-Aside. The Nonprofit cannot be Controlled by a for-profit organization. IFA shall make a determination that the Nonprofit is not affiliated with or Controlled by a for-profit.
3. The Nonprofit and/or parent Nonprofit organization shall have as one of its 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 Application shall demonstrate that the Nonprofits’ programs include a low-income housing component. The Application shall explain how the Nonprofit will accomplish its charitable purposes, as an organization that provides low-income housing, consistent with Rev. Proc. 96-32, 1996-1 C.B. 717.
4. 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). The Nonprofit Owner Representative shall have as one of its exempt purposes the fostering of low-income housing and shall have been doing so for the two years prior to the Application submission date.

5. The Nonprofit shall demonstrate its capacity and intention to Materially Participate in the development and operation of the Project throughout the Compliance Period and Extended Use Period, if applicable. Nonprofit material participation is defined in IRC §469(h) and Treasury Regulation 1.469-5T.

6. The Nonprofit shall receive no less than fifty percent (50%) of the combined total of the Developer and Consultant Fee.

2.2.2 Housing for the Homeless Demonstration Set-Aside – Noncompetitive.

Noncompetitive Set-Aside Reservation Schedule		
Step 1	Draft Request for Proposal (RFP) becomes available	On or about November 20, 2015
Step 2	Final RFP becomes available	On or about December 14, 2015
Step 3	Qualified Service Provider Qualifications due to IFA	On or about February 22, 2016
Step 4	Noncompetitive Set-Aside Application becomes available	On or about March 11, 2016
Step 5	Noncompetitive Set-Aside Application due to IFA	March 28, 2016 by 4:30 pm.
Step 6	IFA Tax Credit Reservation Noncompetitive Set-Aside recommendation presented to Board	June 2016 IFA Board of Directors meeting

This set-aside is for a Project that shall provide permanent supportive housing for persons experiencing homelessness. This set-aside shall receive \$800,000 of all available Tax Credits.

To be considered for this set-aside the Project shall provide permanent supportive housing to persons experiencing homelessness. “Persons experiencing homelessness” is defined for this set-aside to mean an individual or family who lacks fixed, regular, and adequate nighttime residence, meaning:

- Has a primary nighttime residence that is a public or private place not meant for human habitation;
- Is living in a publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state and local government programs); or
- Is exiting an institution where (s)he has resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.”

In order to be eligible for consideration of a Tax Credit Reservation under this set-aside, a Project shall:

- Be located within a MSA;
- Be new construction or adaptive reuse;

- Reserve ten percent (10%) of the total Project Units (rounded up to the next full Unit) or four Units, whichever is greater, to persons experiencing homelessness (IFA’s Held for Occupancy policy shall not apply);
- Units from this set-aside shall be dispersed throughout the Property and in different bedroom sizes rather than segregated;
- Be a Family Project without age restrictions;
- Partner with a qualified agency that provides supportive services to persons experiencing homelessness in the proposed Project’s market area; and
- Be exempt from Section 5.16 - Targeting Plan requirements.

The Project will be required to utilize the following Tax Credit cap in addition to the Unit cost cap stated in Section 4.9. The maximum amount of Tax Credits per LIHTC Unit for a Project under this set-aside are as follows:

New Construction – Adaptive/Reuse	Studio	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
	\$9,725	\$12,010	\$14,300	\$17,160	\$18,875

A Project shall be required to demonstrate a strong relationship with a qualified agency that will provide supportive services to persons experiencing homelessness that will reside in the Project. IFA shall review the written agreement between the entities to ensure that there is a commitment to an extensive and long-term working relationship. IFA will review the capacity of the Developer and partner agency to provide permanent supportive housing including their past experience with such a Project.

Projects will be selected to participate in the Demonstration Program through a Request for Proposal process, and when a Project is selected, the Project team will meet with IFA. The timeline for allocation shall be established in the Request for Proposal process. Those Projects submitting a proposal into the Demonstration Program will not be guaranteed a reservation of IFA resources. The Project shall meet all QAP threshold items specific to the funding requested, except for Section 4.1.3 – Debt Service Coverage Ratio. The Project shall meet any additional requirements of the Demonstration Program (additional requirements will be determined by IFA in its sole discretion)

The selected Project shall be eligible for a thirty percent (30%) basis boost and will be allowed to exceed the Tax Credit cap per LIHTC Unit listed above. The Project shall also be eligible for funds under the National Housing Trust Fund created pursuant to the Housing and Economic Recovery Act of 2008, if IFA receives an allocation of such funds.

This set-aside is not governed by the timetable established in Section 1 - Introduction, nor are the Credits available under this section available for Applicants submitting an Application on December 7, 2015. This set-aside does not transfer into the General Pool. In the event the Board determines that the Housing for the Homeless Demonstration Set-Aside is not performing up to expectations, the Board, in its discretion, may redirect all or a portion of the credits from the set-aside to the General Pool.

2.2.3 Preservation Set-Aside. Ten percent (10%) of all available Tax Credits are set aside for preservation of existing affordable properties where more than fifty percent (50%) of the Units are currently income-restricted and rent-restricted to households at or below sixty percent (60%) Area Median Income (AMI) by a Land Use Restrictive Agreement (LURA), Regulatory Agreement, Section 8 project-based contract or the entire Project is currently in the Section 515 Rural Rental Housing Program.

2.2.4 Senior Set-Aside. Fifteen percent (15%) of all available Tax Credits are set aside for housing specifically designed to meet the needs of senior citizens. Housing that meets the Fair Housing Act definition of housing for older persons 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, State or Local Government program; or (2) it is occupied solely by persons who are 62 or older or it houses at least one person who is 55 years or older in at least eighty percent (80%) of the occupied Units, and adheres to a policy that demonstrates intent to house persons who are 55 years old or older.

Therefore, housing that satisfies the legal definition of Senior Housing or housing for older persons described above, can legally exclude families with children.

2.2.5 Rural Set-Aside. Fifteen percent (15%) of all available Tax Credits are set aside for Projects located in a Non-MSA city or county.

2.3 Tax Credit Cap for Single Developer/Project.

2.3.1 IFA shall not allocate more than \$1,200,000 in Tax Credits to Projects being developed by a single Developer. A Developer may submit as many Projects as the Developer chooses. IFA will select which Projects are awarded Tax Credits based on the QAP. Co-Developers will be allocated Tax Credits based upon the percentage of interest in the Project. For example, if a Co-Developer retains a fifty percent (50%) interest in the various Developer and Consultant Fees realized from a Project, fifty percent (50%) of the Tax Credits will be counted against the Developer's cap.

Parties that have an Identity of Interest may be treated as a single Applicant for purposes of the cap if IFA concludes, based on the relevant facts and circumstances, that the submission of an Application by one or more of the Applicants is intended, in whole or in part, as a means of circumventing the annual Developer Tax Credit cap. Consideration will be given to the familial, financial, business or any other significant relationship in the review of the Identity of Interest as it relates to the Developer cap limit.

2.3.2 The maximum Tax Credit amount that will be awarded to any one Project is \$800,000.

2.4 Prohibition of Applying Within the Compliance Period. Once a Project has been issued an IRS Form 8609, the Project is prohibited from applying for Tax Credits until after the 15th year has been completed (of the initial 15-year Compliance Period).

SECTION 3. APPLICATION PROCESS

Applicants shall submit the Application and exhibits through an on-line Application system. Notification will be placed on the website, www.IowaFinanceAuthority.gov, specifying the submission requirements. The Application will include a prescribed Application form and exhibits. All initial and subsequent

competitive and noncompetitive LIHTC Applications shall be submitted using IFA's prescribed forms and method of Application. The completed Application shall contain electronic signature(s) and the initial Application shall be accompanied by an electronic payment for the appropriate nonrefundable Application fee(s) specified in Section 3.4.7. In the event it becomes necessary to amend the Application Package, IFA will post the amended version of the Application Package on its website at the above address. Applicants are advised to check IFA's website periodically for any amendments or modifications to the Application Package. During the Application review process, IFA will resolve any errors that affect the operation of the on-line Application system on a case-by-case basis. IFA reserves the right to determine if a Project meets threshold.

3.1 Joint Review. IFA reserves the right to conduct joint reviews with other funding sources including any other party, loan or grant program. IFA may contact other sources to obtain information regarding the materials contained in the Application to either verify the information or to obtain independent information regarding a Project. In the event IFA obtains information from other sources, in a non-written format, the information shall be reduced to writing. The information will be available for review after the Applications have been evaluated and Tax Credits have been reserved. In the event that additional federal sources become available, IFA may choose to allow a simultaneous review of both LIHTC and the federal source.

3.2 Contact with IFA Before the Application is Received. If an Applicant has a question regarding an interpretation or clarification of the QAP, IFA policies, procedures or rules relating to the LIHTC Program, the question shall be submitted via the IFA 2016 Q&A email address listed on the IFA website. Responses deemed by IFA to be of general interest to potential Applicants will be placed on the website at www.IowaFinanceAuthority.gov. 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 the website.

3.2.1 Returning or New Developer in Iowa. If the Developer is new to Iowa or has not submitted an Application to IFA in the previous three LIHTC rounds, the Developer shall meet with the IFA LIHTC Manager to review the QAP and the Application process prior to submitting an Application. The party that meets the Section 5.4.2 requirement shall attend this meeting. The Developer shall provide IFA with financial statements from the past three years. IFA reserves the right to request a personal credit report of the Developer.

3.2.2 New Tax Credit Developer. A first time Tax Credit recipient or Developer shall complete at least one LIHTC Project in which all LIHTC Units have been leased at least once and has received an IRS Form 8609, in Iowa or any other state, before being allowed to submit a subsequent Application. A new Tax Credit Developer Applicant is only eligible to receive an award of Tax Credits for one Project.

3.2.3 Mandatory Developer Training. As part of the Application process and threshold requirements, the Developer or designee shall attend the mandatory training session as noted in Section 1-Introduction-Tax Credit Reservation Schedule. IFA recommends the following parties also attend the mandatory Developer training session; the development consultant (if applicable), any party who will be completing the on-line application and the party that meets the Section 5.4.2 requirement.

3.3 Contact with IFA After the Application is Received. Once the Application is received, IFA will notify the Applicant of any required information for supplemental or clarifying data and specify the date and time by which a response from the Applicant is expected. For the initial Application submission, no changes shall be allowed that maintain or improve the score received by an Applicant. Except when contacted by IFA to clarify a threshold item within the Application, an Applicant shall not contact any IFA staff or Board members, nor shall anyone contact staff or Board members on the Applicant's behalf, in order to unduly influence IFA's determination related to the award of Tax Credits. If it has been determined by IFA that a staff member or Board member has been contacted by the Applicant or a party on behalf of the Applicant, then IFA may reject the Application. Following the receipt of an Application, information identifying the Applicant will be placed on the IFA website. During the evaluation period, Applications will not be made available to the public for examination and copying. After the Board approves the selections and awards the Tax Credits, Applications and files are public information and available for inspection and copy in accordance with Iowa Code Chapter 22. IFA shall not be precluded from requesting any and all such information needed to properly evaluate the Application. Contact with IFA staff or Board members is also prohibited under Section 7.8 Appeals.

3.4 Application Process for Market Analysis, Threshold, and Scoring. The complete Application process consists of: (1) market study and analysis; (2) threshold review; and (3) scoring determination. Any revisions to the Tax Credit Reservation schedule proposed in Section 1-Introduction, will be published on IFA's website at www.IowaFinanceAuthority.gov. IFA will accept Applications that meet the allocation criteria, on or before the Application deadline so long as adequate Tax Credits are available.

3.4.1 Market Study and Analysis. IFA shall commission a market study for all proposed Projects. An Applicant shall select only one of three possible tenant populations: Family, Older Persons 55 and older (eighty percent (80%) of the occupied Units must contain a person 55 or older) or Older Persons 62 and older (all tenants shall be 62 years of age or older).

3.4.1.1 Applicants shall provide market information they believe may be helpful in determining market feasibility of their project. The Applicant is also encouraged to submit any third party market information they believe would be helpful in determining the market feasibility of their project including, but not limited to, an independently obtained market study, information from proposed service providers or other market information. IFA will then provide the exhibit from the on-line Application to the commissioned market study provider. The market study provider shall review and evaluate the information submitted while conducting their market analysis. By submitting this information, Applicants are afforded the opportunity to provide input that may be considered in the determination of market feasibility. However, neither IFA nor the commissioned market study provider will be bound by the Applicant's written statements, independent market study or other market information provided.

3.4.1.2 The market study provider will be instructed to assume all LIHTC Units have a minimum ten percent (10%) market advantage for each bedroom size when evaluating comparable market rate (free market) Units in a primary market area. If the Applicant applies with proposed rents that exceed this level, the Applicant may be required to adjust rents in the deficiency period.

3.4.1.3 During the threshold deficiency period, Applicants will be permitted to change income targeting, decrease rents and add amenities, if recommended by the market study

analyst. Changes made by the Applicant that were not recommended, will not be allowed. An updated market study will not be prepared. Underwriting shall be adjusted, if applicable. If required changes are indicated by the market study analyst and it would affect points elected in the Application, IFA has the discretion to adjust points in scoring. If the Applicant does not make the requested change(s), then the Project may fail to meet threshold by reason of market feasibility.

3.4.1.4 The market study provider may contact the Applicant at any time to clarify information provided in the on-line Application or exhibits. However, the Applicant may not contact the market study provider unless they are responding to a question posed by the market study provider. If an Applicant directly contacts the market study provider, the market study provider shall notify IFA that contact was made and summarize the content of information received.

3.4.2 Application for Threshold. This Application will be used by IFA to determine if the Project has met the threshold requirements for an award of Tax Credits. The Applicant shall submit the 2016 LIHTC Application and all required exhibits by the due date as outlined in Section 1-Introduction-Tax Credit Reservation Schedule.

3.4.3 HOME Funds. State HOME funds shall not be available with LIHTC due to the uncertainty of federal funding.

3.4.4 Nonprofit Participation. If a nonprofit organization is Materially Participating in the Project, then the Applicant shall provide information necessary for the Authority to determine if the Project is in compliance with IRC Section 42(h). Entities seeking Nonprofit status for the Nonprofit set-aside shall request approval no later than November 6, 2015.

3.4.5 Site Visits. IFA shall make site visits as it deems necessary to review proposed Projects and verify any of the information provided by the Applicant. Applicants may or may not be notified of a site visit. If deemed necessary by IFA, Applicants shall provide building access for inspection by Evaluators to, among other things, confirm basic structural soundness.

3.4.6 Authorization Forms. IFA may request an executed IRS Form 8821, Tax Information Authorization Form, for each Developer for sharing of information between IFA and the IRS. Additionally, members of the Qualified Development Team, as determined by IFA, shall execute an Authorization to Release Information as part of the on-line Application.

3.4.7 Fees. IFA shall collect the fees described below for the LIHTC Program. Electronic payment of the fees is required. An Application shall not be accepted unless the Application fee accompanies the Application. The reservation fee will be due within 30 calendar days after the Tax Credit Reservation Date. If the date that the reservation fee is due falls on a weekend or holiday, the fee is due on the next business day. The Carryover Allocation Agreement shall not be valid until the reservation fee is paid to IFA. If the reservation fee is not received, IFA may withdraw the Tax Credit Reservation from the Applicant. IFA will not issue an IRS Form 8609 until the initial compliance monitoring fee is paid in full. All fees are nonrefundable, except if the Applicant withdraws the Application within three business days of receipt by IFA, the Application fee will be reimbursed.

Fee Type	All Applicants
Market Study Fee (due with the Application)	\$4,500 - Family/Older Persons Project. \$4,500 - Scattered Site Project for Family/Older Persons Project for first location. \$3,000 - Each subsequent location not in the primary market area of first location.
Application Fee	24 Units or fewer: \$1,700 25 to 35 Units: \$2,000 36 to 60 Units: \$2,200 61 to 100 Units: \$2,750 Over 100 Units: \$5,000
Market Study Change(s) Fee	The Applicant will negotiate with the market study analyst and the fee is paid directly to the market study analyst.
Change in Application Fee	\$1,000 each time the Applicant submits a revised Application that changes the Tax Credit amount requested, or requests amendments or changes to the Application under Sections 8.2, 8.3 or 8.8.
Reservation Fee	One percent (1%) of the total 10-year Tax Credit amount.
IRS Form 8609 Application Fee	Eleven hundredths of one percent (.11%) of the total 10-year Tax Credit amount based on the IRS Form 8609 Application will be due prior to IRS Form 8609 issuance.
Compliance Monitoring Fee	\$25 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: \$25 per Unit x 24-Unit Project = \$600.00 paid annually for 30 years.) Additional fees may apply if the Ownership Entity does not successfully elect to treat a Project as a multiple building Project on the IRS Form 8609, if eligible to do so. Annual rate increases may apply. 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. Other fees as provided in the IFA compliance manual
Filing of the LURA	The Applicant will be billed for actual cost for electronic or paper filing (if electronic filing is not available in a particular county) of the LURA with the county that the Property(ies) is/are located.

Late Submission of either the Carryover- Ten Percent (10%) Test Application or the IRS Form 8609 Application	If a late submission of the Carryover-Ten Percent (10%) Test or the IRS Form 8609 Application is allowed by IFA, the Applicant will be billed \$7,500. Approval of late submissions by the LIHTC Manager is required prior to either Application due date.
Legal Fees	<p>Legal fees incurred by IFA with respect to the Project will be assessed and billed to the Applicant including, but not limited to, the following:</p> <ul style="list-style-type: none"> • Fees for research relating to irregular situations • Ownership agreements • Rental rate questions • Unusual timing situations • Specific technical questions relating to IRC Section 42 • Administrative Law Judge fee in cases of unsuccessful appeals <p>Legal fees of IFA’s in-house counsel will be billed at the rate of \$150 per hour. Legal fees of outside counsel will be billed at the rate charged to IFA. If IFA anticipates that legal work on a matter will exceed five hours, IFA will notify the Applicant prior to commencement of the legal work.</p>
<p>Construction Monitoring Fees</p> <p>Inspections</p> <p>Fees for Failed and Missed Inspections</p>	<p>A \$2,000 construction monitoring fee will be due with the Carryover-Ten Percent (10%) Test Application. If a Carryover-Ten Percent (10%) Test is not necessary, the construction monitoring fee will be due with the IRS Form 8609 Application.</p> <p>IFA will typically conduct five site visits consisting of four inspections and one preconstruction meeting. IFA may elect to conduct additional inspections at its discretion for larger or more complicated Projects at no cost.</p> <p>There will be an additional \$500 fee for any re-inspection when one or more items failed the inspection and warrant a return visit to the site(s). Some potential reasons include, but not limited to, the following; (1) the site is not ready for the inspection requested; (2) items are in place that don’t meet requirements for points in the application; (3) items are in place that don’t meet threshold; (4) items that are missing; and (5) significant changes are in place that were not approved by IFA per Section 8.1.4.</p> <p>There will be an additional \$500 charge for any missed inspections when IFA’s construction analyst is not notified by email two working days in advance.</p>

3.4.8 Prioritization of Review and Award of Credits. IFA will use the following priority list to review and award credits:

1. Nonprofit set-aside Applicants for all counties.
2. Preservation set-aside Applicants for all counties.

3. Senior set-aside Applicants for all counties.
4. Rural set-aside Applicants in Non-MSA cities or counties.
5. General Pool Applicants for all counties.

Applications will be scored and ranked within each of these categories. If there are insufficient credits to be awarded to all Applicants within a set-aside, the Applicant will be considered in additional set-asides that were applied for in the Application and the General Pool. If a balance remains in one of the set-asides, other than the General Pool, IFA may exceed the set-aside amount in order to award the next qualifying Project within the specific pool. The excess funds needed to complete the set-aside award will be drawn from the General Pool. In the event there are not enough qualified Projects to fill a specific set-aside, with the exception of the Nonprofit set-aside, the remaining balance of that set-aside will be transferred to the General Pool.

SECTION 4. UNDERWRITING

The Applicant shall demonstrate that the Project is financially feasible and viable using the least amount of Tax Credits. Underwriting will be completed by IFA during the Application review process. IFA may adjust the amount of Tax Credits based upon the underwriting. Underwriting shall be completed for a Project prior to the time a reservation is awarded, at submission of the Carryover-Ten Percent (10%) Test Application and before an IRS Form 8609 is issued. The pro forma cash flow is part of the Application. If a gap in financing is discovered, the gap may be filled from no more than fifty percent (50%) of the Developer's fee. No other fee will be used to fill a gap in financing. IFA may require the Applicant to provide annual financial statements for the Project Developer and the Ownership Entity.

The Applicant shall provide sufficient information to allow IFA to determine whether the Project is financially feasible during the construction phase and the operational phase of the Project. The Applicant shall provide information regarding federal, state and local subsidies and any other type of financing or contributions that are relevant to the financial feasibility of the Project and are available to the Project. State Historic Tax Credits may be listed as a source of funds, provided that the Applicant can demonstrate that the credits will be available to the Project prior to the due date of the Carryover-Ten Percent (10%) Test Application submission date. If the Applicant does not have a commitment for State Historic Tax Credits, a General Partner loan commitment is required.

The following minimum financial underwriting requirements apply to all Projects. Projects that cannot meet the minimum requirements, as determined by IFA, will not receive Tax Credits.

4.1 Underwriting Standards.

4.1.1 Projects will be underwritten with income escalating at a minimum of two percent (2%) and operating expenses escalating at a minimum of three percent (3%), with a minimum spread of one percent (1%) required between the income and expense escalators. Management fees will escalate at the same rate as income.

4.1.2 Projects will be underwritten at a seven percent (7%) vacancy rate. Projects with 25 Units or less will be underwritten at a ten percent (10%) vacancy rate. For a Project qualified under Section 2.2.3, IFA will allow a five percent (5%) vacancy rate if the Property has maintained a ninety-five percent (95%) or higher annual occupancy rate for the previous three years, and is currently occupied at a minimum of ninety-five percent (95%).

4.1.3 All Projects shall reflect an average Debt Service Coverage Ratio (DSCR) between 1.20 DSCR and 1.50 DSCR. Any one year cannot go below 1.15 DSCR or above 1.80 DSCR for the first 15 years. Existing debt that will be assumed by the Ownership Entity shall be disclosed in the initial Application.

4.1.4 IFA reserves the right to underwrite the Project at current market interest rates.

4.1.5 IFA will underwrite using a 30-year minimum amortization on the first mortgage debt.

4.1.6 Cash received from an acquisition Project purchase shall not be allowed in eligible basis.

4.1.7 IFA reserves the right to limit rent increases to a maximum of four percent (4%) per Unit, between the initial Application and the IRS Form 8609 Application.

4.2 Operating Expenses.

4.2.1 The following numbers shall be used when calculating Operating Expenses for housing for Older Persons: Minimum of \$2,920 per Unit per year not including taxes and reserves.

4.2.2 The following numbers shall be used when calculating Operating Expenses for housing for Families: Minimum of \$3,450 per Unit per year not including taxes and reserves.

4.2.3 IFA reserves the right to request the last three years of financial statements, which shall include a balance sheet and income statement, of existing housing projects.

4.3 Operating and Replacement Reserves.

4.3.1 Operating Reserve. The operating reserve will be the greater of: (1) \$1,500 per Unit; or (2) six months of debt service, operating expenses and real estate taxes. At the time of the issuance of the IRS Form 8609, the operating reserve cannot exceed eight months of debt service, operating expenses and real estate taxes. The operating reserve shall be in place for the first 15 years and be used solely to cover operating deficits. The Applicant shall include a narrative explaining how the operating reserve will be established. The operating reserve shall be funded within six months from the date IFA sent the IRS Form 8609 to the Ownership Entity.

4.3.1.1 The operating reserve can be funded by deferring the Developer's fees of the Project.

4.3.1.2 The Ownership Entity may fund the operating reserve using an irrevocable letter of credit. The letter of credit will be released after the end of the 15-year period described in Section 4.3.1. 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.

4.3.1.3 The requirement for the operating reserve is a compliance issue and may be satisfied using the terms and conditions of the operating reserve required by lenders or other funders financing the Project, provided the reserve is equal to or greater than the reserve required by Section 4.3.1. Applicants shall submit to IFA a verification that the terms and conditions of the operating reserve required by lenders or other funders financing the Project has or will be satisfied at the time a building is Placed-in-Service. If

the operating reserve will be established with the final equity payment, a letter from the syndicator or investor will be required.

4.3.2 Replacement Reserve. All Family Projects shall budget replacement reserves of \$400 per Unit per year escalating at the same rate as operating expenses. All Older Persons Projects shall budget replacement reserves of \$300 per Unit per year escalating at the same rate as operating expenses.

4.3.2.1 The Application will include a narrative explaining how the replacement reserve will be escrowed and used only for the replacement of capital components of the Project. The replacement reserve shall be shown on the pro forma.

4.3.2.2 The requirement for the replacement reserve is a compliance issue and may be satisfied using the terms and conditions of the replacement reserve required by lenders or other funders financing the Project provided the reserve is equal to or greater than the reserve required by Section 4.3.2. Applicants are required to submit to IFA a verification that the terms and conditions of the replacement reserve required by lenders or other funders financing the Project has or will be satisfied at the time a building is Placed-in-Service.

4.4 Deferred Developer Fees. Developer fees can be deferred to cover a gap in funding sources as long as: (1) the entire amount will be paid within 15 years and meets the standards required by the IRS to stay in basis; and (2) the deferred portion does not exceed fifty percent (50%) of the total Developer fee. Nonprofit organizations shall include a resolution from the Board of Directors allowing such a deferred payment obligation to the Project. The deferred Developer fee shall be paid from the net cash flow and not be calculated into the minimum DSCR.

4.5 Financing Commitment.

4.5.1 The Applicant shall provide a letter of intent for construction and permanent financing from the lending institution on the institution's letterhead. This letter shall clearly state the term of the permanent loan, how the interest rate will be indexed and the current rate at the time of the letter, the amortization period, fees, prepayment penalties, anticipated security interest in the Property and lien position. The letter term lengths shall extend at least nine months beyond the date the Application is due to IFA.

4.5.2 For all other sources a commitment for funding shall be made in advance. This includes any existing debt to be assumed, grants, loans, tax credits, tax increment financing, etc. Documentation that specifies the value of the commitment, the purpose the funds can be used for, and time limitations related to the commitment shall be provided from the entity making the commitment. A resolution adopted by the city council that allows the creation of a TIF district or an Urban Revitalization Tax Exemption (URTE), subject to the Project being awarded Tax Credits, is an acceptable commitment. The Owner contribution letter shall be an unconditional and non-expiring commitment to the Project.

4.5.3 Unless a request is being submitted for a Senior Living Revolving Loan, Applications may only include one set of proposed funding sources. IFA will not consider multiple funding scenarios. A Project shall be ineligible for allocation if any of the listed funding sources will not be available in the stated amount and under the terms described in the Application. IFA may

waive this limitation if the Project otherwise demonstrates financial feasibility. If a loan is being requested from IFA for a revolving loan program, the Applicant may submit the designated financial documents listing the IFA construction and/or permanent loan(s) listed as a source, and may submit the designated financial documents with an alternative source for the construction and/or permanent loan(s).

4.6 Developer and Builder Fees.

4.6.1 Developer fees (including Developer overhead and profit and Consultant Fees) shall not exceed the percentages described below. For new construction, the Developer’s fee is calculated as a percentage of Total Project Costs minus land, Developer’s fee, Developer’s overhead and profit, Consultant Fees and Project reserves. Fees paid to parties who have an Identity of Interest shall be fully disclosed, and at IFA’s discretion, will be included in the allowable developer fee. For acquisition/rehabilitation or rehabilitation Projects, the Developer’s fee is listed in the schedule below. The fees will be limited as follows:

Project Type	Fee Limit
Developer Fee for New Construction Projects:	
First 36 Units within the Project	Not to exceed fourteen percent (14%)
Remaining Units within the Project above 36	Not to exceed twelve percent (12%)
Developer Fee for Acquisition/Rehabilitation or Rehabilitation Projects:	
Rehabilitation Portion of Acq/Rehab or Rehab Projects, including Adaptive Reuse, Historic, and Preservation Projects	Not to exceed sixteen percent (16%) of the Total Project Costs minus land, building purchase (existing structures), Developer fee, Developer overhead and profit, Consultant Fees, and Project reserves.
Acquisition Portion of Acq/Rehab Projects, including Adaptive Reuse, Historic, and Preservation Projects	Not to exceed six percent (6%) of the purchase cost of the buildings (existing structures).

4.6.2 Builder and general contractor fees shall be limited to a total of twelve percent (12%) of the Hard Construction Costs. This fee is limited to ten percent (10%) of Hard Construction Costs if an Identity of Interest exists between the Owner, the builder and general contractor.

4.6.3 In the event the Developer fee, Consultant Fee or builder fee limits are in excess of the limits imposed, IFA will make the appropriate adjustments during the underwriting phase of the evaluation of the Applications.

4.6.4. When the General Partner or managing member of the Ownership Entity is a nonprofit organization and the Project was awarded under the Nonprofit set-aside, the Nonprofit shall receive no less than fifty percent (50%) of the combined total of the Developer and Consultant Fee.

4.6.5 IFA reserves the right to limit professional and other fees related to services rendered to the Project. Fees paid to parties who have an Identity of Interest shall be fully disclosed, and at IFA’s discretion, will be included in the allowable Developer fee.

4.6.6 Applicants shall not create a subrecipient of the Federal Historic Tax Credits in order to become eligible for more Tax Credits.

4.7 Other Fees and Considerations.

4.7.1 General Partner Contribution. A minimum required contribution of \$100 by the General Partner/managing member shall be included in the funding sources in the Application.

4.7.2 Construction Contingency Funding. All new construction Projects shall have a hard cost Construction Contingency line item of no more than five percent (5%) of total Hard Construction Costs, less Construction Contingency. For acquisition/rehabilitation or preservation Projects, the hard costs Construction Contingency limits will be no less than seven percent (7%) and no more than twelve percent (12%). For adaptive reuse and historic preservation Projects, the hard cost Construction Contingency limits will be no less than eleven percent (11%) and no more than fourteen percent (14%) of the total Hard Construction Costs, less Construction Contingency. 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.

4.8 Subsidy Layering Review. HUD is required to undertake a subsidy layering review of each Project that receives HUD housing assistance. This is to ensure that the Applicant does not receive excessive government subsidies by combining HUD housing assistance with other forms of federal, state or local assistance. For Projects that combine HUD housing assistance with Tax Credits, HUD has delegated the subsidy layering review to IFA. HUD and IFA have entered into a Memorandum of Understanding (“MOU”) governing the procedures that IFA shall follow when undertaking the subsidy layering review. Generally, the fee limits for the Developer’s fee, overhead, builder’s profit and other fee limits set forth in Sections 4.6 and 4.7, will be applied by IFA in its subsidy layering review. IFA will complete the subsidy layering review for applicable Projects after the Applicant and HUD submit relevant documentation for review at Carryover. This information includes the results of HUD’s underwriting analysis, the Applicant’s proposed development costs, and information concerning any syndication of the Project. IFA will undertake the subsidy layering review for each Project after completion of HUD’s and IFA’s underwriting, if applicable. IFA will complete a second subsidy layering review at the time the IRS Form 8609 is issued for the Project. IFA reserves the right, without amending this QAP, to amend its subsidy layering procedures as necessary to comply with changes in applicable federal law or regulations, HUD guidelines or the MOU. HOME and CDBG funding, when combined solely with Tax Credits, do not trigger the subsidy layering review process.

4.9 Unit Cost Cap. IFA shall not award Tax Credits to a Project in which the cost per Unit is greater than the Unit cost cap limits listed in the chart below. Enterprise Zone sales tax rebates and utility company rebates for energy efficiency measures will be included in the calculation of Total Project Costs. Unit Cost caps do not include the Project’s land cost. Projects receiving Federal Historic Rehabilitation Tax Credits will be allowed to deduct the residential portion of the Federal Historic Tax Credit from the Project costs to allow for stricter rehabilitation standards.

Studio	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
\$132,814	\$152,251	\$185,136	\$239,506	\$262,903

Unit cost caps are maximum amounts. IFA provides no guarantee that Projects at or below the Unit cost caps will be deemed financially feasible.

4.9.1 Tax Credit Cap per LIHTC Unit. In addition to the Unit cost cap stated in Section 4.9, the maximum amount of Tax Credits per LIHTC Unit are as follows:

Acquisition/Rehab	Studio	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
	\$6,760	\$7,800	\$9,360	\$11,960	\$13,000
New Construction – Adaptive/Reuse	Studio	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
	\$8,840	\$10,920	\$13,000	\$15,600	\$17,160

Projects that are eligible for the basis boost, will be allowed to exceed the Tax Credit cap per LIHTC Unit listed above as defined in Section 7.2.

4.10 Section 811 Project Rental Assistance Program (Section 811 PRA). Section 811 PRA is designed to provide long-term rental assistance for: (1) permanent supportive housing for non-elderly, extremely low-income persons with disabilities; and (2) extremely low-income households that include at least one non-elderly person with a Disability that will fund the difference between the tenant’s payment for rent and the approved rent for the Unit (anticipated to be the applicable HUD Fair Market Rent). In the event IFA is awarded project-based subsidy from HUD under Section 811 PRA, any Project, whether or not it applies for Section 811 PRA, can be required by IFA to participate in, to accept an allocation of this project-based subsidy and to comply with all applicable program restrictions. If IFA is not approved to participate in Section 811 PRA, no Section 811 PRA will be available from IFA and this subsection will not apply to the Project.

SECTION 5. THRESHOLD REQUIREMENTS - ALL DEVELOPERS\OWNERSHIP ENTITIES

To be considered for a Tax Credit Reservation, a Project shall demonstrate that it meets the requirements described in this Section. Threshold determinations made in prior years are not binding on IFA for the 2016 round.

5.1 Complete Application. In order for IFA to review an Application fairly and accurately, it shall be complete. If there is not adequate information provided to review the Application, and upon request from IFA to the Applicant, adequate information is not submitted, then IFA shall reject the Application. In the case that additional information is requested by IFA, the notice for information will be sent through email or the on-line Application. The Applicant will have 14 calendar days (deficiency period) to respond to all items in the initial written deficiency notification. A change in funding sources, including equity pricing, will not be allowed during the deficiency period unless specifically requested by IFA. The Applicant may contact the IFA LIHTC Manager or other Tax Credit staff during this period to request clarification. IFA reserves the right to contact the Applicant in other ways to clarify information contained in the Application.

5.2 Legal Ownership Entity. The Ownership Entity shall be formed prior to submission of the Application. For the purposes of the Application, the Applicant is the Ownership Entity. The Ownership Entity shall be a single asset entity. All members, managers, partners and officers of all entities of the Ownership Entity shall be disclosed in the Application.

5.3 Location Requirements. The proposed Project shall be located in an incorporated city. Applications shall not contain or propose alternate sites.

5.4 Readiness to Proceed. The Applicant shall be ready to proceed with the Project by documenting site control, site suitability, adherence to building standards and a Qualified Development Team. Refer to Appendix 1-Threshold Requirements for Building, Construction, Site and Rehabilitation, for related requirements. In addition, the following shall be met:

5.4.1 Appraisals

5.4.1.1 Land/Acquisition with an Identity of Interest. For land and buildings which are acquired from a party with an Identity of Interest, the Applicant shall provide an appraisal by an MAI certified appraiser who is not a related party and is currently in good standing. The appraisal shall be no more than 180 days old on the date that the Application is submitted to IFA.

5.4.2 Qualified Development Team. The Applicant is required to identify the Qualified Development Team (QDT) and to provide a narrative describing the function of each mandatory member of the QDT. The narrative shall explain how the QDT possesses the necessary experience to successfully complete the proposed Project and all other projects under construction, and that it has developed projects of comparable size and financing complexity. Either the Developer, managing member, General Partner or development consultant shall have Materially Participated in such a role in the development of a LIHTC Project that has received an IRS Form 8609 from any state within the past seven years. Such qualifying member of the QDT shall Materially Participate in the proposed Project through two years after the issuance of the IRS Form 8609. The qualifications of the QDT will be evaluated again at Carryover and the Tax Credit Reservation may be revoked, at the sole discretion of IFA, if the QDT is not qualified to successfully complete the proposed Project. The Project Developer or Developer representative shall attend a mandatory Developer Application training session, as noted in Section 3.2.3. The management company/manager shall have at least three years of experience successfully managing a Section 42 Property. IFA reserves the right to request the audited financials of the management company.

IFA may require a financial background check of the Project Developer, General Partner/managing member, consultant and the management company, or the Affiliates of any of the foregoing. If the background check discloses any financial difficulties, risks or similar matters that IFA believes might substantially impair or harm the successful development and operation of the Project as a qualified low-income housing Project, IFA may:

1. Refuse to allow the QDT member to participate in the Tax Credit Program; and/or
2. Reject or disqualify an Application and cancel any Tax Credit Reservation and Carryover Allocation; and/or
3. Demand additional assurances that the development, ownership, operation or management of the Project will not be impaired or harmed (such as performance bonds, pledging unencumbered assets as security, opinions of financial solvency by an independent certified public accountant, or such other assurances as determined by IFA).

5.4.3. Preliminary Costs and Scope of Work for All Projects. The Applicant shall provide a Scope of Work for the Project that includes a cost estimate for the hard construction costs. The estimate shall be in Unifomat II or in a format with a comparable level of detail that is acceptable to IFA.

5.4.4 Commitment to Notify Public Housing Authority (PHA) of Vacancies. The Applicant shall acknowledge the Commitment to Notify Public Housing Authority (PHA) of vacancies.

5.4.5. Notification of Chief Executive Officer of Local Jurisdiction. The Applicant shall provide accurate information through the on-line Application identifying the Chief Executive Officer of the local jurisdiction where the proposed Project is located. IFA will send a summary of the characteristics of the proposed Project to the Chief Executive Officer, through the on-line Application.

5.4.6 Ineligibility. Significant Parties are subject to being deemed ineligible to participate in the LIHTC Program as set forth below:

5.4.6.1 The following Significant Parties and the Projects with which they are associated shall be ineligible to participate in the LIHTC Program and shall not receive a Tax Credit Reservation for a period not less than five years from the date of determination of ineligibility; such parties may also be denied a Tax Credit Allocation at Carryover time or an IRS Form 8609 for the same period of time (in determining ineligibility, IFA shall consider conduct occurring up to five years prior to the effective date hereof):

5.4.6.1.1 Significant Parties who have been convicted of, entered in an agreement for immunity from prosecution for, received a deferred judgment or suspended sentence or judgment for, or pled guilty, including a plea of no contest, to a crime including any of the following:

- fraud,
- tax fraud,
- embezzlement,
- bribery,
- payments of illegal gratuities,
- perjury,
- false statements,
- racketeering,
- blackmail,
- extortion,
- falsification or destruction of records, or
- a crime of violence related to any housing Project.

5.4.6.1.2 Any syndicator, equity partner, private placement originator, limited partner or member of an LLC of a project from which, following the commencement of construction thru the issuance of an IRS Form 8609, the purchaser of Tax Credit equity withdraws.

5.4.6.2 The following Significant Parties and the Projects with which they are associated shall be ineligible to participate in the LIHTC Program and shall not receive a Tax Credit Reservation for a period of not less than three years from the date of determination of ineligibility; such parties may also be denied a Tax Credit Allocation at Carryover time or an IRS Form 8609 for the same period of time (in determining ineligibility, IFA shall consider conduct occurring up to three years prior to the effective date hereof):

5.4.6.2.1 Any Significant Party that intentionally or negligently misrepresents or omits any material fact in its LIHTC Application or in any other written communication with IFA.

5.4.6.2.2 Any Significant Party that has an uncorrected default of any agreement between the Significant Party and IFA.

5.4.6.2.3 Any Significant Party who has been removed as a General Partner or managing member by the equity investor from any previously approved LIHTC Project in Iowa or any other state.

5.4.6.3 The following Significant Parties and the Projects with which they are associated shall be ineligible to participate in the LIHTC Program and shall not receive a Tax Credit Reservation for a period of not less than one year from the date of determination of ineligibility; such parties may also be denied a Tax Credit Allocation at Carryover time or an IRS Form 8609 for the same period of time (in determining ineligibility, IFA shall consider conduct occurring up to one year prior to the effective date hereof):

5.4.6.3.1 Significant Parties who have Materially Participated in any Project that has had unsatisfactory performance, in Iowa or any other state, with a state-sponsored or housing-related assisted program, as determined by IFA. This includes parties with loans under any IFA program that are 60 days or more delinquent or have received more than two delinquency notifications in the previous 12 month period.

5.4.6.3.2 Significant Parties who have served as an officer, director, General Partner, managing member, accountant, architect, engineer, management agent, financial consultant, or any other consultant of any Entity that has unsatisfactory performance, in Iowa or any other state, with a state-sponsored or housing-related assistance program, or under any agreement or loan, as determined by IFA. This includes Entities with loans under any IFA program that are 60 days or more delinquent or have received more than two delinquency letters in the previous 12 month period.

5.4.6.3.3 Significant Parties who have been declared ineligible or otherwise debarred from any housing-related assistance program by any Iowa state agency, by any LIHTC allocating agency of any other state, or by any federal agency.

5.4.6.3.4 Developers, Ownership Entities and the General Partners/managing members thereof, and consultants or any other persons determined by IFA to have an Identity of Interest or of personnel with any thereof, who have Materially Participated in a Project for which Tax Credits awarded in a prior nine percent (9%) Tax Credit round were returned to IFA in calendar year 2015 prior to the closing of such Project's equity investment and no subsequent year Tax Credits were issued to replace the returned Tax Credits. An Ownership Entity or Developer who returns excess Tax Credits at the time of the IRS Form 8609 issuance, or returns four percent (4%) Tax Credits at any time, will not be disqualified from participating in the current Tax Credit funding round.

5.4.6.3.5 Developers, Ownership Entities and the General Partners/managing members thereof, and consultants or any other persons determined by IFA to have an Identity of Interest or of personnel with any thereof, who have Materially Participated in a Project that was awarded nine percent (9%) Tax Credits in 2013 or 2014 in which the Project costs exceeded the applicable Unit cost cap at the time of the Carryover-Ten Percent (10%) Test Application or the IRS Form 8609 Application.

5.4.6.3.6 Developers, Ownership Entities and the General Partners/managing members thereof, or any other persons determined by IFA to have an Identity of Interest or of personnel with any thereof, for whose project an IRS Form 8609 with Part II completed was not timely submitted to IFA, or for whose Project an incorrectly completed IRS Form 8609 was submitted. The Owner completed IRS Form 8609 shall match the terms agreed upon in the LURA.

5.4.6.4 The following Significant Parties and the Projects with which they are associated may be deemed ineligible to participate in the LIHTC Program and shall not receive a Tax Credit Reservation for a period to be determined by IFA, based upon its review of all relevant facts, up to and including permanent debarment, and such Significant Parties may be denied a Tax Credit Allocation at Carryover time or an IRS Form 8609 for the same period of time:

5.4.6.4.1 Significant Parties who have Materially Participated in a Project that has received from IFA or from any other state an IRS Form 8823 on which a box in the column headed “Out of compliance” has been checked (regardless of whether the noncompliance for which the IRS Form 8823 was issued has subsequently been corrected) or who have a history of repeated or significant Tax Credit compliance deficiencies, even if such significant Tax Credit compliance deficiencies have not resulted in an uncorrected IRS Form 8823. IFA may consider as mitigating or aggravating factors, the number of instances of noncompliance, whether the noncompliance has been corrected, the speed with which the Project was brought back into compliance, and the degree of Control of the Significant Party in question over the out-of-compliance Project. Applicants are encouraged to work with the IFA compliance staff to correct any outstanding issues prior to the Application deadline. If corrections cannot be completed prior to the Application deadline, the Applicant shall submit a detailed account, on the exhibit provided in the Application, of any noteworthy compliance issues or uncorrected IRS Form 8823’s that have been issued with respect to properties associated with any Significant Parties. IFA issues a report, similar to an IRS Form 8823, called the “State Issued Notice of Noncompliance”, which addresses issues that are not in compliance with the LURA to the Owner that also shall be corrected.

5.4.6.4.2 Significant Parties who fail to disclose any direct or indirect financial or other interest a member of the Project Qualified Development Team may have with another member of the Project Qualified Development Team or with the Project.

5.4.6.4.3 An Applicant who fails to disclose all known members of the Project Qualified Development Team.

5.4.6.4.4 Significant Parties who have voluntarily agreed to be replaced as a General Partner or managing member of any previously approved LIHTC Project in Iowa or any other state as a result of performance issues.

5.4.6.4.5 Significant Parties who, within the past seven years, have filed for bankruptcy, or been a party to an adverse fair housing settlement, or an adverse civil rights settlement.

5.4.6.5 IFA staff may reduce the ineligibility period as to any given Significant Party, under Sections 5.4.6.1.2, 5.4.6.2 and 5.4.6.3 if such reduction is deemed to be in the best interests of IFA and affordable housing.

5.5 Displacement of Tenants. IFA will accept Applications that have displaced (or will displace) tenants, although involuntary permanent displacement of existing tenants is strongly discouraged. IFA reserves the right to reject any Application that fails to minimize permanent displacement of tenants and/or provide an adequate relocation plan. A formal relocation plan shall be submitted with the Application if the Project scope requires any form of temporary or permanent relocation of existing tenants. The proposed relocation plan shall provide an overview of the need for relocation, a proposed timeline, an estimated budget, and other information as requested in the Application to document that the need for temporary or permanent relocation of existing tenants is adequately addressed. If a federal funding source is used, the most restrictive relocation plan requirements shall be followed.

5.6 Confirmation of Eligibility—Acquisition\Rehabilitation. The Applicant shall confirm eligibility under IRC Section 42(d)(2)(B)(ii) (the 10-year rule) by listing each building by address, the date the building was Placed-in-Service by the Applicant from whom the building was or will be acquired, the date the building was or is planned for acquisition by the Applicant and the number of years between the date the building was last Placed-in-Service and the expected date of acquisition. If the number of years for any building is less than 10 years, the Applicant shall explain any exception under the Internal Revenue Code which would make the building eligible for Tax Credits under IRC Section 42(d)(2)(B)(ii).

5.7 Rehabilitation Standards. The Applicant shall provide information regarding Rehabilitation Expenditures for each building as specified in Appendix 1-Threshold Requirements for Building, Construction, Site and Rehabilitation. 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) which shall be allocable to or substantially benefit the Low-Income Units in such building. The Application shall show the calculations for whether the amount of Rehabilitation Expenditures is at least equal to the greater of twenty percent (20%) of the expected adjusted basis of the building or a \$25,000 Rehabilitation Expenditure limited to Hard Construction Costs per Low-Income Unit.

5.8 Building Standards. Preliminary site plan, floor plans and elevations are to be submitted with the Application to IFA for all of the buildings in the proposed development. The Applicant shall demonstrate that they have met or will meet local, state and federal standards that apply to the Project, and meet IFA's minimum development characteristics. For additional requirements and a list of the minimum development characteristics, refer to Appendix 1-Threshold Requirements for Building, Construction, Site and Rehabilitation.

5.9 Scattered Sites. The Applicant shall submit a composite Application reflecting 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 similar Units are not located in proximity to one another, but are owned by the same party and financed under the same agreement(s), and are located within a 20-mile radius, as determined by Google Maps (www.Googlemaps.com). A Scattered Site Project may be new construction, acquisition, rehabilitation or a combination of these types. For Scattered Site Projects, all Units shall be qualified LIHTC Units.

5.10 Affirmative Fair Housing Marketing Plan (AFHMP). Each Applicant shall acknowledge the AFHMP requirement and shall submit the plan to IFA no less than 120 days prior to the Placed-in-Service Date. The Property shall maintain an AFHMP throughout the Compliance Period and Extended Use Period, if applicable. A new plan shall be established and approved by IFA every five years or as prescribed by HUD, whichever is stricter.

5.11 Adequate Market. The market study and analysis shall only be used to demonstrate that there is adequate sustained demand for the proposed Project, and that the construction or rehabilitation of the additional affordable Units will not have an adverse impact on the existing affordable Units in the market area.

5.12 Project Score. If there are more Applicants for LIHTC than credits available, IFA will use a Project's score to rank those Projects that will be awarded credits within the prioritization established in Section 3.4.8.

5.13 Senior Projects. Senior Projects are not allowed anything greater than 2 bedrooms per Unit.

5.14 Iowa Housing Search. All awarded Projects shall be listed on Iowa's free rental housing locator at www.IowaHousingSearch.org. The Applicant shall list the Property no less than 120 days prior to the Placed-in-Service Date. The Property shall maintain the listing throughout the Compliance Period and Extended Use Period, if applicable. Failure to list the property is an unsatisfactory performance issue with IFA and may deem the party ineligible for future rounds. IFA reserves the right to change this requirement if a free rental housing locator is no longer maintained.

5.15 Lease Addendum. In order 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 addendums throughout the Compliance Period and the Extended Use Period, if applicable.

5.16 Targeting Plans. All approved Projects will be required to target ten percent (10%) of the total Project Units to the Target Population (Persons with a Disability). Projects targeting Units under this subsection are not required to provide on-site supportive services or a service coordinator. Owners shall demonstrate a partnership with a Local Lead Agency and submit a targeting plan for review and approval by IFA. At a minimum, the targeting plan, inclusive of the executed targeting plan agreement, shall include:

- (a) A description of how the Project will meet the needs of Target Population tenants including adaptability, Accessibility or assistive technology features, transportation, rent subsidy and proximity to community amenities.
- (b) A description of the experience of the Local Lead Agency and their capacity to provide access to supportive services and to maintain relationships with the management company and community service providers for the duration of the Compliance Period and Extended Use Period, if applicable.
- (c) A description of how the Project will make the targeted Units affordable to extremely low-income households.
- (d) A signed targeting plan agreement between the Ownership Entity or Developer, management company and the Lead Local Agency shall be submitted with the Carryover Package. At a minimum, the targeting plan agreement shall include the following:
 - (i) A commitment from the Local Lead Agency to provide, coordinate and/or act as a referral agent to assure that supportive services will be available to the Target Population.
 - (ii) The referral and screening process that will be used to refer Target Population tenants to the Project, the screening criteria that will be used, and the willingness of all parties to negotiate reasonable accommodations to facilitate the admittance of Target Population tenants into the Project.
 - (iii) A communications plan between the management company and the Local Lead Agency that will accommodate staff turnover and assure continuing linkages between the Project and the Local Lead Agency for the duration of the Compliance Period and Extended Use Period, if applicable.
 - (iv) Certification that participation in supportive services will not be a condition of tenancy.
 - (v) Commitment to hold throughout the Compliance Period and Extended Use Period, if applicable, pursuant to IFA's Held for Occupancy policy, ten percent (10%) of the total Project Units for occupancy by the Target Population.
 - (vi) Agreement to affirmatively market to the Target Population.
 - (vii) Agreement to include a section on reasonable accommodation in the management company's application for tenancy.
 - (viii) Agreement to accept Section 8 vouchers or certificates (or other rental assistance) as allowable income as part of property management income requirement guidelines for eligible tenants and not require total income for persons with rental assistance beyond that which is reasonably available to persons with disabilities currently receiving SSI and SSDI benefits.
 - (ix) The management company shall agree to show a preference for Persons with a Disability on the waiting list as part of the Project's AFHMP. The management company shall also note if the tenant household has a need for an Accessible Unit.
- (e) The Applicant is responsible for ensuring that all Affirmative Fair Housing requirements are met.
- (f) The Project's targeting plan requirements will be specified in the LURA.
- (g) The requirements of this subsection may be fully or partially waived to the extent the Agency determines that they are not feasible. A Targeting Plan template and other documents related to this subsection are included in Appendix F of the Application Package (incorporated herein by reference). The Ownership Entity or Developer will agree to complete the requirements of this subsection and Appendix F at least 120 days prior to the first Unit being Placed-in-Service. IFA may set additional interim requirements.

5.17 Tenant Selection Criteria. Owners shall develop and make public written tenant selection policies and procedures that include descriptions of the eligibility requirements and income limits for admission. The tenant selection plan shall include whether or not there is an elderly restriction or preference in the admission of tenants. The restriction or preference must cite the supporting documentation to ensure nondiscrimination in the selection of tenants. The policy shall show a preference for Persons with a Disability. The contents of the plan also shall be consistent with the purpose of improving housing opportunities and be reasonably related to program eligibility and an Applicant's ability to perform the obligations of the lease. The tenant selection plan shall be submitted at least 120 days prior to the first Unit Placed-in-Service. The Property shall maintain the plan throughout the Compliance Period and Extended Use Period, if applicable. The plan shall be provided and reviewed by IFA every five years.

5.18 All buildings that contain residential rental Units shall have at least one Low-Income Unit. The LIHTC Available Unit Rule (AUR) or sometimes referred to as the Next Available Unit Rule (NAUR) shall apply to all buildings in the Project. Each buildings Applicable Fraction shall be maintained throughout the Compliance Period and the Extended Use Period.

5.19 Market rate single family homes shall not be allowed in any Project. Market rate Units shall be dispersed throughout the property rather than segregated.

SECTION 6. SCORING CRITERIA

IFA will award scoring points based on information provided in the Application or exhibits for the following items, provided adequate evidence supports the award of points for all sites within the Project. Applicants will tentatively self-score a portion of the criteria in the Application. IFA shall make the final determination of the Applicant's score. Scoring determinations made in prior years are not binding on IFA for the 2016 round.

6.1 Resident Profile.

6.1.1 Serves Lowest Income Residents. 0 to 20 points

Projects that provide Units that are set-aside and occupied by tenants with incomes at forty percent (40%) AMI or less and are rent restricted. Annual re-certification of tenant income is required.

- 1 point for each full one percent (1%) of the total Project Units — 15 points maximum

Projects that provide Units that are set-aside and occupied by tenants with incomes at thirty percent (30%) AMI or less and are rent restricted. Annual re-certification of tenant income is required. These Units shall be in addition to any Units selected for the forty percent (40%) AMI or less.

- 1 point for each full one percent (1%) of the total Project Units — 5 points maximum

If a project is a previous LIHTC Project with an existing LURA, Applicant shall not elect scoring points for this category if it would be less restrictive than the existing LURA. Current LURA requirements shall be adhered to or can be made more restrictive only.

This category is not available to an Applicant that elects points in Section 6.1.4-Provides an Opportunity for Homeownership or Section 6.3.3-Projects that have Federal Project-Based Rental

Assistance, HUD-VASH Voucher Assistance or Local Project-Based PHA (Public Housing Authority) Voucher Assistance.

6.1.2 Market Rate Incentive. 0 to 10 points

Projects that provide market rate Units (not eligible for Tax Credits). On-site staff Units cannot be counted for points. Annual re-certification of tenant income is required.

- 1 point for each full one percent (1%) of the Units — 10 points maximum

All buildings that contain residential rental Units shall have at least one Low-Income Unit. The LIHTC Available Unit Rule (AUR) or sometimes referred to as the Next Available Unit Rule (NAUR) shall apply to all buildings in the Project. Each buildings Applicable Fraction shall be maintained throughout the Compliance Period and the Extended Use Period.

Market rate single family homes will not be allowed in any Project. Market rate Units shall be dispersed throughout the property rather than segregated.

This category is not available to an Applicant that elects points in Section 6.1.4-Provides an Opportunity for Homeownership or Section 6.3.3-Projects that have Federal Project-Based Rental Assistance, HUD-VASH Voucher Assistance or Local Project-Based PHA (Public Housing Authority) Voucher Assistance.

6.1.3 Serves Tenant Population of Individuals with Children. 4 points

At least ten percent (10%) of the Units shall be four or more bedroom LIHTC Units.

6.1.4 Provides an Opportunity for Homeownership 25 points

Iowa Renter to Ownership Savings Equity (ROSE) Program: 25 points will be awarded to an Applicant who implements a bona fide long-term Iowa ROSE Program. The Iowa ROSE Program is only for low-income tenants which are qualified under the LIHTC Program and the Owner shall be required to elect a 40/60 minimum set-aside for each single family detached unit. Each Unit shall be entered in as a sixty percent (60%) Unit. The Iowa Rose Program provides a savings plan for homeownership in years 1 through 15 to purchase a home of their choice and provides a plan to sell the house to an existing LIHTC tenant at the end of the Compliance Period. All utilities shall be paid by the tenants in this Program. See Appendix G – Iowa ROSE Program of the Application Package for further details.

This category is not available to an Applicant that elects points for Section 6.1.1-Serves Lowest Income Residents, Section 6.1.2-Market Rate Incentive or Section 6.4.4-Waives Right to a Qualified Contract. A Project under this category is not eligible for State HOME funds.

6.2 Location.

6.2.1 Location Near Services. 0 to 24 points

The Project's Primary Address (PA) shall be shown in the Building Tab of the LIHTC on-line Application. The PA will be used to determine the distance to the services that are available. The service shall be in operation and accessible via existing roads at the time of the Application due date. Using Google Maps (www.Googlemaps.com) driving directions, unless otherwise specified, the distance between the PA and the service shall not be greater than the distance listed below. The

Applicant shall submit the Google Map(s) that lists the name of the service and shows the mileage between the PA and the existing service location. If the Project has not been assigned a PA or should the PA not be shown on Google Map(s), contact the LIHTC Manager via email at least 10 business days prior to the Application submission due date. The email shall provide evidence that the PA cannot be shown on the Google Maps(s) and an explanation on why a different map (Yahoo, etc.) should be considered by the LIHTC Manager.

If a Scattered Site Project, all building addresses shall be listed at all site locations. Each building address of a Scattered Site Project shall meet the distance listed below. All information shall be provided and cannot be requested during the deficiency period since it is a scoring item.

The Applicant may select from the following options (all services are defined in Appendix 2-Glossary of Terms). There is a four point maximum per service:

The following services shall be within the driving distance listed below:		
	One mile	Two miles
Full Service Grocery Store	4 points	2 points
Schools (Family Project only)	4 points	2 points
Senior Center (Older Persons Project only)	4 points	2 points
Medical Services	4 points	2 points
Public Library	4 points	2 points
Workforce Training	4 points	2 points
Park (City, State or County)	4 points	2 points
The following services shall be within one half mile (walking distance):		
Public Transportation (shall indicate a bus stop location)		4 points

6.2.2 Great Places. 3 points

Projects will be located in and be a part of a Great Place community approved by the Department of Cultural Affairs.

6.2.3 Local Government Contribution. 0 to 21 points

A qualified Government Entity or Political Subdivision contributes at least one percent (1%) of the Total Project Costs, in the form of a contribution as listed in the table below. For scoring purposes under this category, a Government Entity or Political Subdivision contribution to a Project provided through a certified Local Housing Trust Fund (LHTF) will be considered a qualified Local Government Contribution only if the Applicant provides documentation from the LHTF that the Government Entity or Political Subdivision has made contributions to the LHTF during the current fiscal year totaling at least the amount of the proposed Local Government Contribution to the Project. State HOME funds or USDA funds are not eligible sources for this category; however, City HOME funds do qualify. All documents shall be signed by the appropriate contributing entity. The scoring exhibit shall be supported by corresponding documents listed in the table below.

IFA encourages Developers to coordinate with Iowa communities regarding community revitalization plans, where applicable. A Local Government Contribution creates a presumption

that the project is not in conflict with the local government’s community revitalization plan, if any.

IFA reserves the right to limit the amount of fees waived by any Government Entity or Political Subdivision to one percent (1%) of the Total Project Costs.

- 3 points for each full one percent (1%) of the Total Project Costs — 21 points maximum

Form of Contribution	Additional Supporting Documents
Cash Contribution	Commitment letter
Gift of Land or Building	Third party MAI certified appraisal
Tax Abatement (not tax exemption)	Scoring exhibit only
Tax Increment Financing	Project specific resolution of the city council
Urban Revitalization Tax Exemption (URTE)	Project specific resolution of the city council
Enterprise Zone Credits	Scoring exhibit only
Enterprise Zone Sales Tax Rebates	Scoring exhibit only
Waiver of Fees	Scoring exhibit only
City HOME	Scoring exhibit only
Below Market Interest Rate Loan	Calculation showing value of imputed savings using a market rate of seven percent (7%) with a maximum 20 year loan term and a maximum 30 year amortization

6.2.4 Underserved City 8 points

A Project that is located in a city that has not received an award of Tax Credits in the last three years. An award of Tax Credits includes a supplemental Tax Credit award. A city will not be excluded as an Underserved City because a Project located in that city received an award of Tax Credits within the last three years, but later returned the entire credit award.

6.2.5 Iowa Opportunity Index Census Tracts. 3 points

A Project that is located in a census tract that is identified as a very high or high opportunity area as shown in Appendix D in the Application Package.

6.3 Building Characteristics.

6.3.1 Market Appeal. 0 to 36 points

Projects offer amenities at no cost to tenants that enhance market appeal and promote long-term viability. These amenities shall be provided and maintained throughout the Compliance Period and the Extended Use Period, if applicable, at the cost of the Owner.

The Applicant may select from the options below (all amenities are defined in Appendix 2-Glossary of Terms):

Video Security System. The security system shall record activity at the site such that no part of the site can be accessed without that activity being recorded at a level of resolution wherein the persons recorded are recognizable. The recordings shall be	8 points
---	----------

maintained for a minimum of 30 days. To be eligible for points, single family or Scattered Site Projects are required to have the Video Security System to cover all Units.	
Free On-site Parking (One space per unit within one quarter mile, walking distance, of the Projects primary address. Parking shall meet IFA site control requirements.)	7 points
In-Unit Laundry Space with Washer and Dryer (Dryer shall vent to exterior.)	6 points
Storage Units	5 points
Free Internet Connectivity	5 points
Built-In Dishwasher	3 points
Bike Racks	2 points

6.3.2 Projects with Historical Significance. 10 points

All buildings within the Project shall be on the National Register of Historic Places or are determined eligible for the National Register by the State Historic Preservation Officer. Applicants requesting points for historic significance shall use state and federal historic tax credits as a funding source.

6.3.3 Projects that have Federal Project-Based Rental Assistance, HUD-VASH Voucher Assistance or Local Project-Based PHA (Public Housing Authority) Voucher Assistance.

0 to 35 points

Federal Project-Based Rental Assistance:	
At least seventy-five percent (75%) of the Project Units are covered by a project-based rental assistance contract.	35 points
At least fifty percent (50%) of the Project Units are covered by a project-based rental assistance contract.	30 points

HUD-VASH Voucher Assistance:	
At least twenty-five percent (25%) of the total Project Units are covered by a written commitment for HUD-VASH Voucher assistance.	35 points
At least fifteen percent (15%) of the total Project Units are covered by a written commitment for HUD-VASH Voucher assistance.	25 points
At least five percent (5%) of the total Project Units are covered by a written commitment for HUD-VASH Voucher assistance.	10 points

Local Project-Based PHA Voucher Assistance:	
At least twenty-five percent (25%) of the total Project Units are covered by a written commitment for Local Project-Based PHA Voucher assistance.	35 points
At least fifteen percent (15%) of the total Project Units are covered by a written commitment for Local Project-Based PHA Voucher assistance.	25 points
At least five percent (5%) of the total Project Units are covered by a written commitment for Local Project-Based PHA Voucher assistance.	10 points

An Applicant may elect points for only one of the following: a project-based rental assistance contract, a commitment for HUD-VASH Voucher assistance or Local Project-Based PHA voucher assistance.

This category is not available to an Applicant that elects points in Section 6.1.1-Serves Lowest Income Residents or Section 6.1.2-Market Rate Incentive.

6.3.4 Construction/Unit Characteristics. 0 to 15 points

The Applicant may select from the following options:

Exterior Construction (durability):	0 to 10 points
Minimum of sixty percent (60%) of the gross exterior (excluding window and door areas), of 4” nominal brick, 4” nominal stone, stucco over masonry, architectural CMU block or pre-cast concrete wall panels. The remaining forty percent (40%) shall be constructed of one hundred percent (100%) fiber cement board siding or pre-finished aluminum metal. The Buildings soffit and fascia shall be pre-finished aluminum or fiber cement board. Soffits shall be vented.	10 points
One hundred percent (100%) fiber cement board siding (excluding window and door areas) and/or nominal 2” thick manufactured stone over ¾” stucco. The Buildings soffit and fascia shall be pre-finished aluminum or fiber cement board. Soffits shall be vented.	7 points
Minimum of sixty percent (60%) of the gross exterior (excluding window and door areas), of 4” nominal brick, 4” nominal stone, stucco over masonry, architectural CMU block or pre-cast concrete wall panels. The remaining forty percent (40%) shall be aesthetically pleasing and in harmony with the architecture of the rest of the building. The Buildings soffit and fascia shall be pre-finished aluminum or fiber cement board. Soffits shall be vented.	7 points
Minimum of forty percent (40%) of the gross exterior (excluding window and door areas), of nominal 2” thick manufactured stone or imitation brick over 5/8” stucco. The remaining sixty percent (60%) shall be aesthetically pleasing and in harmony with the architecture of the rest of the building. The Buildings soffit and fascia shall be pre-finished aluminum or fiber cement board. Soffits shall be vented.	4 points

Other:	0 to 5 points
Steel frame doors	2 points
Main entrance areas: Unit main entrance to interior - shall be designed with a foyer and equipped with a remote security and intercom system to each unit to control entry to common areas. Unit main entrance to exterior – shall have a storm door and a covered entry with a minimum depth and width of coverage of 4 feet by 4 feet.	2 points
Vertical grab bars in the bathtub/shower and lever door hardware throughout the Units.	1 point

Cost containment: Luxury items (e.g granite or marble countertops), will not be allowed in LIHTC Projects. The intent of the program is to provide affordable housing.

6.3.5 Olmstead Goals 0 to 19 points

Projects advancing the goals of Iowa Department of Human Services Olmstead Plan for Mental Health and Disability Services to build a consumer- and family-driven system that expands

people’s choices about the supports and services they need and where they are provided, in other words, a system that operates the way the U.S. Supreme Court says it should in its’ landmark Olmstead decision, where people with disabilities, of any age, receive supports in the most integrated setting consistent with their needs.

The applicant may select from the following options:

Fully Accessible Units (required for all) See Appendix 1, G-18.	Unit with Accessible Communications Features (required for all) See Appendix 1, G-18.	Additional Accessible Type A Units (optional for scoring)	Visitable (Type C) Units (optional for scoring)	Scoring
10%	2%	N/A	all remaining units	5 points
10%	2%	5%	N/A	7 points
10%	2%	5%	all remaining units	10 points
10%	2%	15%	N/A	9 points
10%	2%	15%	all remaining units	12 points
10%	2%	30%	N/A	11 points
10%	2%	30%	all remaining units	14 points

In determining the number of Accessible Units, fractional calculations shall be rounded up to the next whole Unit number. The sequence of percentages will go left to right in order of the table. Should an Applicant commit to providing the above Accessible or Visitable Units, the Project architect shall acknowledge this commitment at the time of the LIHTC Application submittal. A Unit may be qualified as either Accessible or Visitable but cannot be classified as both. All Unit percentages listed in the table above are specified as minimum thresholds for scoring purposes as percentages of the total number of Project Units. Accessible Units shall be dispersed throughout the Property rather than segregated. “Additional Accessible Type A Units” commitments made for scoring purposes shall be over and above the Fully Accessible Units required under Appendix 1-Section G-18 of the QAP.

At least fifty percent (50%) of the Fully Accessible and Additional Accessible Type A LIHTC Units will be two-, three-, or four-bedroom Units. Scoring in this section is available only to Projects committing to develop a minimum of fifteen percent (15%) of the total Project Units as Fully Accessible or Accessible Type A.	5 points
--	----------

Accessible Units shall be dispersed throughout the property rather than segregated.

6.3.6 Impact on the Environment.

0 to 12 points

All interior paints and primers comply with Green Seal standards for low VOC limits.	2 points
All adhesives comply with Rule 1168 of the South Coast Air Quality Management District. All caulks and sealants comply with Regulation 8, Rule 51 of the Bay Area Air Quality Management District.	2 points
Implement and enforce a “no smoking” policy in all common and individual living areas of all buildings. The common area does not include the public areas of the exterior grounds of the building for this “no smoking” policy.	2 points
Water heaters that have a minimum energy factor (EF) of 0.61 for tank type gas, 0.93	2 points

for tank-type electric, or .96 for tankless water heaters.	
Water conserving measures: Toilets are high efficiency WaterSense toilets that use 1.28 gallons per flush or less; faucet aerators use 1.5 gallons per minute (gpm) or less in kitchens and 1.0 gpm or less in bathrooms; showerheads use 1.5 gpm or less. (dual flush toilets do not qualify)	2 points
Passive (New Construction) or Active (rehab/reuse) Radon System Radon-reducing features below the building slab along with vertical vent pipe(s) and junction box(es) following requirements in Appendix F, “Radon Control Methods” in the 2012 International Residential Code.	2 points

6.3.7 Energy Efficiency. 8 points

New Construction:	
Home Energy Rating Systems (HERS) Index of 62 or less	8 points
Existing Structures:	
2012 International Energy Conservation Code (IECC) exceeded by eight percent (8%) or more. (not available to Projects utilizing Historic Tax Credits)	8 points

Refer to Appendix 1–Threshold Requirements for Building, Construction, Site and Rehabilitation Item G-22.

A new construction Project that elects a lower HERS index shall submit prior to construction, an initial energy report, by an IFA approved energy consultant, that demonstrates the proposed design will meet the lower HERS index. A final energy report that verifies the lower HERS index shall be submitted prior to the issuance of an IRS Form 8609.

For existing structures, an energy audit conducted by a certified home energy rater shall be provided on each building prior to the preparation of the final work rehabilitation order. At the completion of the rehabilitation and prior to the issuance of an IRS Form 8609, an energy audit by a certified energy rater is required to verify that the rehabilitation work on each building exceeds the standards of IECC as noted for the above score.

IFA requires an energy consultant as part of the Qualified Development Team. The Applicant is required to engage the energy consultant prior to submitting the Application. Refer to the minimum energy efficiency standards in Appendix 1, G-22.

6.4 Other.

6.4.1 Iowa Title Guaranty. 10 points

The Applicant shall certify that the Ownership Entity will obtain a Final Title Guaranty Owner Certificate on the real estate of the Project from the Iowa Finance Authority’s Iowa Title Guaranty Division prior to submittal of the IRS Form 8609 package. The Ownership Entity shall obtain, at a minimum, a Final Title Guaranty Certificate with an amount of coverage that is not less than the value of the land and pre-existing improvements, if any, combined with the total Hard Construction Costs of the Project.

6.4.2 Developer or Owner Contribution. 0 to 10 points

Developer or General Partner contributes cash to the Project. A cash contribution does not include a deferral of a Developer fee. A commitment for funding shall be made in advance and a commitment letter shall be provided with the Application.

- 2 points for each full one half percent (.5%) of the Total Project Costs — 10 points maximum

This is in addition to the threshold requirement of a \$100 contribution by the General Partner in Section 4.7.1.

6.4.3 Qualified Development Team Experience. 10 points

At least one QDT entity shall have completed two LIHTC Projects in Iowa which have received an IRS Form 8609 between the dates of July 1, 2009 and July 1, 2015 as a Developer, managing member or General Partner. The Developer, General Partner, managing member or development consultant has not been deemed ineligible in Iowa or any other state to participate in the LIHTC Program between the dates of July 1, 2009 and July 1, 2015.	5 points
At least one QDT entity shall have completed two LIHTC Projects which have received an IRS Form 8609 between the dates of July 1, 2009 and July 1, 2015 as a Developer, managing member or General Partner. The Developer, General Partner, managing member or development consultant has not been deemed ineligible in Iowa or any other state to participate in the LIHTC Program between the dates of July 1, 2009 and July 1, 2015.	5 points

6.4.4 Waives Right to Qualified Contract. 25 points

Ownership waives the right to ask IFA to find a buyer after year 14.

This category is not available to an Applicant that elects points in Section 6.1.4-Provides an Opportunity for Homeownership.

6.5 Selection Criteria. Applications shall be evaluated using the preference and selection criteria required in IRC Section 42, and as specifically cited in Section 42(m)(1)(B) and Section 42(m)(1)(C). Aggregate rankings or scoring will in no way guarantee an award of Tax Credits to a particular Applicant. During the Application review process and throughout the allocation process, IFA will utilize its sound and reasonable judgment and will exercise its discretion consistent with sensible and fair business practices. IFA reserves the right not to reserve Tax Credits to any Applicant of a Project, regardless of the proposal’s score. Certain selection criteria are subject to compliance monitoring and will be incorporated into the LURA and will be binding for the length of the LURA or any renewal thereof. In the event that the final scores of more than one Application are identical, the tiebreaker favors the Application requesting the least amount of Tax Credits per LIHTC Unit based on IFA’s equity needs analysis.

IFA reserves the right to limit the Tax Credit Reservation to any county in an amount that would allocate no more than forty percent (40%) of the total Units allocated in the 2016 allocation year.

6.6 Discretion by the Board. The Board may determine that:

6.6.1 The Board may award the amount of the remaining State Ceiling to a Project if the amount available is ninety percent (90%) of the underwritten Tax Credit amount. If the Applicant decides to accept the partial tender of Tax Credits, the Applicant shall agree to accept the amount in full

and will not request to be placed on the waiting list for additional Tax Credits, unless Section 6.6.2 applies. The Applicant can request reasonable revisions to an approved Application in order to address the shortfall of ten percent (10%) of the Tax Credits. IFA, in its sole discretion, can approve or deny the revision request, or may propose alternative revision(s).

If the Applicant declines to accept the offer of partial tender, or the amount of remaining Tax Credits is less than ninety percent (90%) of the underwritten Tax Credit amount, then to maximize the use of the available Tax Credits, IFA at its sole discretion, may make an offer to the next highest Project whose underwritten Tax Credit amount is eligible for a full award or partial tender of Tax Credits, pursuant to this Section.

6.6.2 Acquisition/Rehabilitation, Preservation, Adaptive Reuse or Historic Preservation Projects may apply for additional Tax Credits if the Project's costs exceed the original cost estimates, including the Construction Contingency fund. A Construction Contingency fund of at least seven percent (7%) shall be included in all acquisition/rehabilitation, preservation or historic preservation Projects. Additional Tax Credits may be granted by the Board, if excess Tax Credits are available after the Carryover Allocation Agreement is complete. IFA does not make a forward allocation of Tax Credits. The amount of contingency funds in the original Application may be taken into consideration when awarding additional Tax Credits. No additional Developer's or Consultant Fee will be allowed under this section. The additional Tax Credit request may not exceed ten percent (10%) of the original Tax Credit award for the Project. IFA will not allow additional Tax Credits to Projects to exceed the Unit cost caps or the Tax Credit cap per LIHTC Unit. Additional Tax Credits shall be awarded based on the requirements in the QAP under which the Project originally received Tax Credits. IFA will not accept Applications for Tax Credits under this section before April 1, 2016. Tax Credit Reservations awarded by IFA under this section are subject to the provisions under Section 7.7.

6.6.3 A Project satisfies the preferences described in Iowa Code Section 16.4.

SECTION 7. NOTICE OF THE TAX CREDIT AWARD

7.1 Tax Credit Calculation and Reservation. IFA will reserve the calculated Tax Credit amount after the Project has received market approval, received financial feasibility and site approval, achieved a sufficient score, has successfully submitted all requested additional documentation, and paid all fees. IFA determines the amount of Tax Credits reserved through information received and the amount requested in the Application. The actual reservation amount may not equal the dollar amount requested in the Application. The Code requires that IFA determine that "the housing credit dollar amount allocated to the development does not exceed the amount the Housing Credit Agency determines is necessary for the financial feasibility of the development and its viability as a qualified low-income housing Project through the Credit period." In making this determination, IFA will consider, but is not limited to, the following:

- The sources and uses of funds and the total financing planned for the development;
- Any proceeds or receipts expected to be generated by tax benefits;
- Percentage of the housing Tax Credit dollar amount used for development;
- The reasonableness of operating expenses, rent and vacancy assumptions, and proposed debt service coverage, the development and operational costs of the proposed development;
- An analysis of the appropriate Tax Credit amount based on an "equity gap" model;

- An analysis of the appropriate Tax Credit amount based on an Eligible Basis calculation;
- An analysis of the appropriate Tax Credit amount based on the cost cap calculation;
- An analysis of the appropriate Tax Credit amount based on the Tax Credit cap per LIHTC Unit calculation;
- The score derived from the criteria set forth in Section 6-Scoring Criteria;
- The selection of Projects that meet the requirements of Section 2.2-Set-Asides; and/or
- Adequate Tax Credits are available in the 2016 funding round.

7.2 Basis Boost.

No Project may receive more than a thirty percent (30%) increase in Eligible Basis.

7.2.1 Special Considerations for Projects Located in a Qualified Census Tract. The Code allows the possibility of receiving a Tax Credit Reservation equal to one hundred thirty percent (130%) of Eligible Basis. The increased basis is allowed in areas defined by HUD as “Qualified Census Tracts” (QCT) or “Difficult Development Areas” (DDA). There are currently no HUD designated DDAs in Iowa. Applicants will receive the higher basis, if eligible, but IFA reserves the right to determine the Tax Credit Allocation amount required for the financial feasibility of the Project. The 2016 LIHTC Application will provide a list of Qualified Census Tracts.

7.2.1.1 Community Service Facility. Tax Credits may be awarded to that portion of the building used as a Community Service Facility not in excess of twenty-five percent (25%) of the total Eligible Basis, if the building is located within a Qualified Census Tract. “Community Service Facility” may include childcare, workforce development, healthcare, etc., and shall be designed primarily to serve individuals whose income is sixty percent (60%) or less of AMI.

7.2.2 Special Considerations for Projects Located in a Non-MSA City or County Projects in a Non-MSA city or county may be designated by IFA as requiring a fifteen percent (15%) increase in Eligible Basis in order for such Projects to be financially feasible, as allowed by the Housing and Economic Recovery Act of 2008.

7.2.3 Special Considerations for Projects Serving Lower AMIs. Applicants that elected points under Section 6.1.1 shall qualify for the following:

7.2.3.1 Projects that provide thirty percent (30%) of the Units serving tenants with incomes at forty percent (40%) or less AMI shall qualify for an increase of fifteen percent (15%) in Eligible Basis.

7.2.3.2 Projects that provide ten percent (10%) of the Units serving tenants with incomes at thirty percent (30%) or less AMI shall be eligible for an increase of fifteen percent (15%) in Eligible Basis. These Units shall be in addition to any Units selected for the forty percent (40%) AMI or less.

7.3 Reserved.

7.4 Notice of Tax Credit Reservation. Once IFA has reserved Tax Credits, an electronic notice of Tax Credit Reservation shall be emailed to all approved Applicants. The effective date of the award will coincide with the date of the notice. The unsuccessful Applicant(s) shall be notified by email that IFA did not select their Project, including an explanation as to why IFA did not select the Project.

An Applicant may not transfer Tax Credits to another Project.

7.5 Second and Third Application, and Credit Allocation. Federal law requires that IFA evaluate the Application three times: (1) at initial Application; (2) at submission of the Carryover-Ten Percent (10%) Test Application; and (3) at the time the building(s) is (are) Placed-in-Service. On each occasion, the Applicant shall submit a complete Tax Credit Application including a financial feasibility threshold test and certify to all federal, state and local subsidies expected to be available to the development. IFA may choose to award the Carryover Allocation at the time of initial Application. If IFA selects this procedure, the second Application shall be due at the time that the Applicant documents that the Ownership Entity has incurred costs that meet ten percent (10%) of the Ownership Entities reasonably expected basis. The process requires Applicants to provide detailed and accurate information concerning all development costs at each evaluation. Applicants with Tax Credit Reservations will be subject to cancellation of the Reservation if they are unable to provide IFA with satisfactory evidence of progress toward timely completion of the proposed development, or if there are significant changes to the proposed development from the approved Application.

7.5.1 Second Application for Carryover-Ten Percent (10%) Test. All Applicants requesting a Carryover Allocation shall submit all items described in IFA's current Carryover Application Package by IFA's required deadline as posted on IFA's website. A valid Carryover Allocation Agreement requires that the Ownership Entity incur costs that meet ten percent (10%) of the Ownership Entities "reasonably expected basis" or total development cost by the date specified in the Carryover Agreement; however, under no circumstances later than allowed by IRC Section 42(h)(1)(E)(ii).

7.5.2 Initiation of Construction. Projects receiving Carryover Allocations shall begin construction within 18 months from the Tax Credit Reservation Date. The Carryover Agreement will be void unless an extension has been approved by IFA. If the Ownership Entity does not comply with this requirement, IFA reserves the right to revoke the Tax Credit Allocation.

7.5.3 Third Application for IRS Form 8609. The third and final review is conducted after the development has been Placed-in-Service. IFA will again review financial feasibility, revised costs and the equity requirement based on information provided by the Applicant in a third updated Application to determine the appropriate amount of Tax Credits to be allocated. All Ownership Entities requesting an IRS Form 8609 allocation shall submit all items described in IFA's current IRS Form 8609 Application Package. Payment of any fees referenced in Section 3.4.7 is due prior to issuance of an IRS Form 8609.

7.5.3.1 Marketable Title Requirement. As part of the IRS Form 8609 Application Package, the Ownership Entity shall provide adequate evidence that the Ownership Entity's title in the real estate on which the Project is to be located is a marketable title pursuant to Iowa Land Title Examination Standards, or other applicable law. Adequate evidence of marketable title is demonstrated by either: (1) a title opinion of an attorney authorized to practice law in Iowa showing marketable title in the Ownership Entity; or (2) a title guaranty certificate issued by the Iowa Title Guaranty Division of IFA showing the Ownership Entity as the guaranteed. In the case of leased land, a copy of the recorded lease shall be provided.

7.5.4 IFA Discretion. If IFA, at any time, has reason to believe that the development: (1) will not be Placed-in-Service in a timely fashion; (2) fails to comply with the requirements for a

Carryover Allocation; (3) is not in compliance with Section 42 of the Code; or (4) that the Application contains misrepresentations, IFA may revoke the Tax Credit Allocation.

7.6 Destruction of a Project Prior to Placement-in-Service. In the event that a Project suffers a casualty loss (such as a fire or a tornado) of a significant character prior to the Project being Placed-in-Service, such that the Project cannot be Placed-in-Service within the applicable time limitations required by Section 42 of the Code and the accompanying regulations, IFA may allow the Applicant to return the reserved or allocated Tax Credits via mutual consent in return for a binding commitment by IFA to allocate a future year's Tax Credits, in an amount not to exceed the original allocation to the Project. This section is only intended to cover those casualty losses that are not otherwise provided under Section 42 of the Code and the applicable regulations and IRS rulings (such as losses in federally declared disaster areas, for which Rev. Proc. 95-28 applies).

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, including but not limited to the result of an appeal.

7.7.1 An Applicant placed on the waiting list shall be required to reapply for Tax Credits if the Applicant seeks funding from the next round of Tax Credit awards.

7.7.2 An Applicant who files a new Application for substantially the same Project as one already on IFA's waiting list shall be removed from the waiting list on the date that the new Application is received by the Authority unless the Project is subject to the requirements of Section 7.10.3.

7.7.3 Placement on the waiting list does not imply, either directly or indirectly, that the Board will forward fund the Applicant's Project. The waiting list may be established based on financial feasibility, relative scoring, Developer concentration, geographic distribution or any of the other criteria described in the QAP.

7.7.4 If Unreserved Tax Credits become available before October 1, 2016, 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, pursuant to Sections 7.7.4.1 and 7.7.4.2, below. If there are sufficient Tax Credits to fund one or more Projects, IFA will review the Applications to ensure that the Applicant continues to satisfy all of the requirements of the QAP and that if scored and ranked, the Project would have been funded according to the priority established in Section 7.7.6. If the Applicant is in compliance with the QAP, the Board may make a Tax Credit Reservation award. If there are no pending appeals, IFA may make Tax Credit Reservation awards for Projects that fall under Section 7.7.6 (2), (3) or (4) at any time after June 1, 2016. If there are pending Tax Credit appeals, IFA may make Tax Credit Reservation awards for Projects that fall under Section 7.7.6 (2), (3) or (4) only after October 1, 2016.

7.7.4.1 The Board may award the amount of the remaining State Ceiling to the next Project on the waiting list if the amount of remaining credits is ninety percent (90%) of the underwritten Tax Credit amount of such Project. If the amount of remaining credits is less than ninety percent (90%) of the underwritten Tax Credit amount of such Project, The Board shall proceed to and consider the next Project on the waiting list, if any. If the Applicant for a project that is awarded such credits decides to accept the partial tender of Tax Credits, the Applicant shall agree to accept the amount in full and will not request to be placed on the waiting list for additional Tax Credits. The Applicant can request reasonable revisions to an approved Application in order to address the shortfall of ten

percent (10%) of the Tax Credits. IFA, in its sole discretion, can approve or deny the revision request, or may propose alternative revision(s).

7.7.4.2 If the Applicant declines to accept the offer of partial tender, or the amount of remaining Tax Credits is less than ninety percent (90%) of the underwritten Tax Credit amount, then to maximize the use of the available Tax Credits, IFA at its sole discretion, may make an offer to the next highest Project on the waiting list whose underwritten Tax Credit amount is eligible for a full award or partial tender of Tax Credits, pursuant to this Section.

7.7.5 If Unreserved Tax Credits become available on or after October 1, 2016, IFA shall review all Applications on the waiting list, if any, to determine if there are sufficient Tax Credits to fund one or more Projects on the waiting list, pursuant to Sections 7.7.4.1 and 7.7.4.2. If IFA, in its sole discretion, determines that there is adequate time to review the Applications to ensure that the Applicant continues to satisfy all of the requirements of the QAP, IFA may make a Tax Credit Reservation award. On December 31, 2016, if unreserved Tax Credits remain available and no Project listed on the waiting list can be funded in total, as stated in Section 6.6, then the remaining 2016 Tax Credits will be combined with the available Tax Credits for the 2016 funding round, and the waiting list shall expire.

7.7.6 Prioritization of Waiting List. The Board generally shall prioritize Projects on the waiting list as follows:

1. Projects placed on the waiting list following a successful appeal of a denial of Tax Credits by the Board pursuant to Section 7.10 (including settlements favorable to appellants).
2. Projects seeking additional Tax Credits pursuant to Section 6.6.2.
3. Projects that meet threshold requirements for the current funding round, but do not receive a Tax Credit Reservation because of an inadequate amount of available Tax Credits to fund the Project under Section 6.6.1, provided that the Applicant does not have an outstanding appeal under Section 7.8, or petition for a waiver of one or more administrative rules by the Board.
4. Projects that meet threshold requirements for the current funding round, but do not receive a Reservation of Credits because the Project was passed over due to a single Developer exceeding the Tax Credit cap of \$1,200,000; provided that the Applicant does not have an outstanding appeal under Section 7.8, or petition for a waiver of one or more administrative rules by the Board.

Projects placed on the waiting list for any other reason may be prioritized at the Board's sole discretion. The Board, in its sole discretion, may deviate from the foregoing guidelines if it determines cause to do so exists.

7.8 Appeals. An Applicant whose Application has been timely filed and whose Project did not receive an allocation of Tax Credits may appeal the decision by filing a written notice of appeal within seven (7) days of the IFA Board meeting where the LIHTC awards were approved. The appeal shall be transmitted electronically to the IFA LIHTC Manager. The notice of appeal shall be received by IFA within the time frame specified to be considered timely. The notice of appeal shall state the grounds upon which the Applicant challenges IFA's LIHTC awards. Filing a notice of appeal shall not stay the Tax Credit Reservation awards made by IFA. During the seven (7) day appeal period following the Board award of

Tax Credits, Applicants may only contact the IFA LIHTC Manager for information about their Project and/or other Projects submitted during the Tax Credit round. Meetings with IFA staff or IFA Board members will not be permitted during the seven (7) day appeal period.

7.8.1 Procedures for Applicant Appeal. The filing of an appeal constitutes the initiation of a contested case proceeding. The contested case will be governed by the procedures set forth in this Section, together with the contested case rules set forth in 265 IAC Chapter 7. If the provisions of this Section conflict with any of the provisions in 265 IAC Chapter 7, the provisions of this Section will govern.

7.8.2 Hearing. Upon receipt of a notice of an Applicant appeal, IFA may contact the Department of Inspections and Appeals to arrange for a hearing. A written notice of the date, time and location of the appeal hearing will be sent to the parties of the appeal. IFA shall select a presiding officer and hold a hearing on the Applicant appeal in conformance with its rules on contested cases.

7.8.3 Discovery. Any discovery requests shall be served simultaneously on the parties within 10 days of the notice of appeal. Responses to any discovery requests shall be submitted to all of the parties within 10 days of receiving the discovery request.

7.8.4 Witnesses and Exhibits. Within 20 days following the notice of appeal, the parties shall contact each other regarding witnesses and exhibits. There is no requirement for witness and exhibit lists. However, the parties shall meet prior to the hearing regarding the evidence to be presented in order to avoid duplication or the submission of extraneous materials. The parties may request a pre-hearing conference to discuss witnesses, exhibits or other matters relating to the hearing.

7.8.5 Settlements.

7.8.5.1 A contested case may be resolved by an informal settlement. Settlement negotiations may be initiated at any stage of a contested case by the Executive Director, prosecuting attorney, or the aggrieved party. No party is required to participate in the informal settlement process.

7.8.5.2 The Executive Director shall have authority to negotiate on behalf of the Board. No party shall communicate with any Board member about settlement negotiations until a written proposal settlement is submitted to the full Board for approval, unless all parties to the settlement negotiations waive this prohibition. No proposed settlement shall be presented to the full Board for approval until it is in final, written form signed by the aggrieved party.

7.8.5.3 Waiver of notice and opportunity to be heard. The decision to enter into settlement negotiations is voluntary on the part of the parties. By entering into informal settlement negotiations, the respondent waives the right to seek disqualification of the Executive Director from being present during the Board's deliberations and the making of the contested case decision if the appeal goes to a hearing.

7.8.5.4 All proposed settlements are subject to approval of a majority of the full Board. If the Board fails to approve a proposed settlement, it shall be of no force or effect to either party and shall not be admitted into evidence during the hearing on the contested case.

7.8.5.5 A Board member who is presented with a settlement proposal pursuant to Section 7.8.5 that is rejected by the Board shall not be disqualified from adjudicating the contested case due to that participation.

7.9 Evidence for an Electronically Held Hearing. If the hearing is held electronically, all exhibits shall be delivered to IFA three days prior to the time the hearing is conducted. Any exhibits which have not been served on the opposing party shall be served at least seven days prior to the hearing.

7.10 Remedies on Appeal.

7.10.1 If an Applicant passed the threshold requirements and is successful in demonstrating that the Applicant should have been awarded Tax Credits based on the score the Project should have received and taking into account section 6.6.1, the Board may place the Project on a waiting list for Unreserved or returned Tax Credits.

7.10.2 If an Applicant is successful in demonstrating that a Project was improperly determined by IFA to have not met the threshold requirements, the Board shall cause the Project to be scored. If the Project receives a score equal to or greater than the lowest score of any Project receiving credits in the same round for one hundred percent (100%) of such Project's underwritten Tax Credit amount (as opposed to Projects awarded less than one hundred percent (100%) of the underwritten Tax Credit amount pursuant to Section 6.6.1), the Board may place the Project on a waiting list for Unreserved or returned Tax Credits.

7.10.3 Once the waiting list has expired, a Project that has been placed on the waiting list due to a successful appeal shall be awarded five (5) points in the next nine percent (9%) Tax Credit Round. To receive the additional points during the next nine percent (9%) Tax Credit Round, the Project shall be the same Project that was the subject of the successful appeal.

7.11 Contents of Decision. The presiding officer shall issue a decision in writing that includes finding of fact and conclusions of law stated separately. The decision shall be based on the record of the contested case and shall conform to Iowa Chapter 17A. The decision shall be sent to all parties by first-class mail.

7.12 Record Requirements. The record of the contested case shall include all materials specified in Iowa Code subsection 17A.12 (6). The record shall also include any requests for a contested case hearing and other relevant procedural documents regardless of their form.

7.12.1 Oral proceedings in connection with an Applicant appeal shall be recorded either by mechanized means or by certified shorthand reporters. Parties requesting that the hearing be recorded by a certified shorthand reporter shall bear the cost of the reporter.

7.12.2 Oral proceedings with a hearing in a case or any portion of the oral proceedings shall be transcribed at the request of any party with the expense of the transcription charged to the requesting party.

7.12.3 Copies of the tapes of oral proceedings may be obtained from the Board at the requestor's expense.

7.12.4 The recording or stenographic notes of the oral proceedings or the transcription shall be filed and maintained by the Board for at least two years from the date of the proposed decision.

7.13 Dismissal. A ruling dismissing all of the party's claims or a voluntary dismissal is a decision under Iowa Code Section 17A.15.

7.14 Requests for Rehearing. Requests for rehearing shall be made to IFA within 20 days of issuing a final decision. A rehearing may be granted when new legal issues are raised, new evidence is available, an obvious mistake is corrected, or when the decision fails to include adequate findings or conclusions on all issues. A request for rehearing is not necessary to exhaust administrative remedies.

7.15 Judicial Review. Judicial review of IFA's final decisions may be sought in accordance with Iowa Code Section 17A.19.

SECTION 8. POST RESERVATION REQUIREMENTS

Once a Tax Credit Reservation has been awarded, the following additional requirements shall apply. 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.

8.1 Construction. Construction shall begin on a Project within 18 months from the Tax Credit Reservation Date.

8.1.1 IFA may periodically request a status report on the Project's construction timeline.

8.1.2 An IFA construction sign meeting specifications outlined in the Application and appendices shall be erected at the initiation of construction.

8.1.3. Final plans and specifications shall be submitted to and approved by IFA before commencing site work and construction. Plans shall meet all applicable building standards and codes, minimum development characteristics, and all construction related scoring criteria for which points were awarded. Final plans shall incorporate any and all remediation plans to address detrimental site characteristics.

8.1.4 The Ownership Entity shall promptly inform IFA of any changes or alterations which deviate from the final plans and specifications, as approved by the IFA LIHTC Manager.

8.1.5 If the site was not zoned appropriately at the time of Application, prior to commencing construction, IFA shall receive a letter or other document from the city that states appropriate zoning has been approved.

8.1.6 If required for the Project in Appendix 1-J, a Capital Need Assessment shall be submitted to and approved by IFA prior to commencing construction.

8.1.7 For existing structures, prior to the preparation of the final work rehabilitation order and start of rehabilitation, the Ownership Entity shall provide a copy of the energy audit conducted by a certified home energy rater to IFA. The rater, Owner and IFA will determine the feasibility of meeting the requirements of IECC. Appropriate specifications to meet IECC standards or alternate cost-effective energy improvements shall be included in the final work rehabilitation order and shall be submitted with the plans and specifications for approval before starting construction.

8.1.8 If the Project meets the criteria set forth in Section 5.5, a copy of the final relocation plan and copy of the notice to existing tenants shall be provided to IFA at the time of the IRS Form 8609 Application.

8.2 Amendments to the Application After Award. The Ownership Entity may amend, with the IFA LIHTC Manager's consent, the Application after a Tax Credit Reservation is made solely for the purpose of showing changes as described by the following:

8.2.1 Sources and uses of funds that do not increase the amount of Tax Credits awarded.

8.2.2 A minor change in the nature of the Project or changes in partnership members, shareholders, or limited liability members. IFA will only approve an amendment to an executed Carryover Agreement due to an IFA approved Project change prior to December 31 of the calendar year in which the allocation is made. The only exceptions will be for IFA administrative errors or omissions as allowed by Section 42 of the Code.

8.3 Material Changes. If, upon the submission of the Carryover Application or the IRS Form 8609 Application, or at any other time, it is determined that the Project is not substantially the same as the Project described in the Application, the Project will not receive an allocation of Tax Credits, or the amount of the Tax Credits will be adjusted, or an IRS Form 8823 or a State Issued Notice of Non-Compliance will be issued. It is expected that the Project will be the same as originally scored under this QAP.

8.3.1 Generally, changes in the total number of Low-Income Units, number of bedrooms per Unit mix, tenant mix (low-income/market rate) and amenities are deemed to be material and not permitted.

8.3.2 Changes in the number of buildings and Units contained in each building will be allowed if changes are required by local regulatory codes and the Applicant has obtained written approval from IFA prior to making the changes.

8.3.3 Failure to notify IFA of a material change may result in the revocation or reduction of the Tax Credit Reservation, denial of the Carryover Allocation, withholding of the IRS Form 8609, the issuance of an IRS Form 8823 or a State Issued Notice of Noncompliance.

8.3.4 Any Owner election made in regard to the minimum set-aside requirement twenty percent (20%) or more of the residential Units in a Project are both rent-restricted and occupied by individuals whose income is fifty percent (50%) or less of AMI, or forty percent (40%) or more of the residential Units in a project are both rent restricted and occupied by individuals whose income is sixty percent (60%) or less of AMI for a qualified low-income housing project under IRC Section 42(g) is irrevocable once made. No change in the minimum set-aside requirement is permitted.

8.4 Transfers. The Tax Credit Reservation and Carryover Allocations are not transferable. IRS Form 8609 allocations will be issued only in the name of the Ownership Entity named in the Application. Transfers subsequent to the issuance of the IRS Form 8609 allocation are subject to the LURA and to the provisions of Sections 42(d) (7) and 42(j) of the Code.

8.5 Return of Tax Credits. Allocations of Tax Credits may only be returned in accordance with applicable U.S. Treasury Regulations on a date agreed upon by IFA and the Ownership Entity or in accordance with the provisions of Section 7.6.

8.6 Reserved.

8.7 IRS Form 8609. All Applicants requesting an IRS Form 8609 allocation shall submit all items described in IFA's current IRS Form 8609 Application Package. The Ownership Entity shall complete Part B and return a copy of the fully executed IRS Form 8609 to IFA within 60 days of IFA sending the IFA executed IRS Form 8609. The Owner's completed IRS Form 8609 shall match the terms agreed upon in the LURA. Failure to submit the fully executed IRS Form 8609 within 60 days of IFA sending the IFA executed IRS Form 8609, may result in an State Issued Notice of Noncompliance.

Owners and management companies of Projects shall attend a minimum of eight hours compliance training that is provided by an approved third party trainer, or by attending all sessions designated as fulfilling this requirement offered at the annual HousingIowa Conference prior to receiving the IRS Form 8609 from IFA. At the time the IRS Form 8609 Application Package is submitted, a Certificate of Compliance Training for the General Partner and property manager shall be provided. The date for the Certificate of Training shall be issued no earlier than 12 months from the time that the IRS Form 8609 Application is submitted.

All on-site property management staff will complete Mental Health First Aid training approved by the Iowa Department of Human Services and/or an Olmstead Consumer Taskforce approved Disability awareness training program, such as may be offered by a Center for Independent Living. The date for the Certificate of Training shall be issued no earlier than 12 months from the time that the IRS Form 8609 Application is submitted.

8.8 Changes to the Ownership Entity Structure. The Ownership Entity shall notify IFA prior to any change to the structure of the Ownership Entity (such as a change in a General Partner, change in the ownership of a corporation or change in the membership of a limited liability company) after the Tax Credit Reservation is issued. Any change in the Ownership Entity shall meet the requirements described in the QAP before IFA shall consent to the change. If the requirements outlined in the QAP are not met, the request may not be approved. It is at IFA's sole discretion to approve or disapprove the request.

8.9 Prior to Placed-in-Service Date.

8.9.1 Prior to the Placed-in-Service Date, a copy of the following shall be submitted to IFA by the Owner:

1. For new construction Projects with three stories or less, a home energy rating report as performed by a certified HERS rater. The Project shall receive a final HERS index of 70 or less.
2. For new construction Projects with four or more stories, documentation by an independent licensed engineer that the Project exceeds ANSI/ASHRAE/IES Standard 90.1-2010.
3. For existing structures, an energy audit by a certified energy rater that verifies that the recommended energy performance measures established in the final rehabilitation work order were installed correctly.
4. A Commitment to Notify Public Housing Authority (PHA) of vacancies.

8.9.2 At least 120 days prior to the first Unit Placed-in-Service, a copy of the following shall be submitted to IFA by the Owner:

1. Affirmative Fair Housing Marketing Plan.
2. Targeting Plan.
3. Tenant Selection Criteria.
4. Lease Addendum.
5. Documentation that the Project is listed on Iowa's free rental housing locator at www.IowaHousingSearch.org.

8.10 Require Annual Audited Financials. Tax Credit recipients shall submit annual audited financial statements for the Project within 90 days of the close of the Project's fiscal year, beginning the year after they have received the IRS Form 8609. IFA may require more frequent financial statements, such as an income and expense statements and balance sheets not more than 30 days old. The more frequent financial statements need not be audited. Year-end statements shall be certified by a Certified Public Accountant (CPA).

8.11 Operating and Replacement Reserves. Within six months from the date IFA sends the IFA executed IRS Form 8609, the Ownership Entity shall provide IFA with verification that the Operating and Replacement Reserve accounts have been funded, and the terms and conditions have been met.

PART B – TERMS AND CONDITIONS

The following terms and conditions apply to all Applicants and Projects that receive a reservation of nine percent (9%) Tax Credits, Carryover Allocation and IRS Form 8609 allocation.

SECTION 9: TERMS AND CONDITIONS

9.1 Documents Incorporated by Reference. The items described in this Section are incorporated by reference in the QAP. The QAP will be deposited in the Iowa State Law Library. Statutory references are available in the Iowa State Law Library.

9.1.1 26 USC Section 42 as amended and the related Treasury regulations in effect as of January 1, 2014.

9.1.2 Iowa Code Section 16.35 and the rules promulgated by IFA to govern the LIHTC Program in effect as of the effective date hereof.

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

9.1.3.1 First, by giving preference to IRC Section 42 and the related Treasury regulations.

9.1.3.2 Second, by giving preference to Iowa Code Sections 16.4, 16.35 and the rules governing the QAP; and

9.1.3.3 Third, by giving preference to the QAP.

9.2 Binding Obligations. The representations made in the Application shall 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 shall constitute the agreement between the parties, as represented by the Developer or Ownership Entity, within the following documents: the QAP, Application (with any permitted amendments either prior to the Tax Credit Reservation, after the Carryover Allocation, after issuance of the IRS Form 8609, or during the Compliance Period and Extended Use Period, if applicable) and any other agreements executed between IFA and the Ownership Entity.

9.3 Land Use Restrictive Covenants (Land Use Restrictive Agreement (LURA)). The Project shall be subject to the LURA which requires among other things, that the Project will be used for affordable housing for the required Compliance Period and the required Extended Use Period, as set forth in Section 42(h)(6)(B). If the Applicant has agreed to extend the time period of affordability and has waived rights to early termination of the Extended Use Period in its Application, the LURA will reflect the additional Extended Use Period for which the Ownership Entity has waived its rights to early termination. In the event an Applicant receives HOME funding for a Project, the Ownership Entity shall enter into a LURA with IFA for the longest compliance period required either by the LIHTC Program or HOME regulations. The LURA shall contain covenants that run with the land requiring that the Property be used as an affordable housing Project until the end of the Extended Use Period. The original document shall be recorded before an IRS Form 8609 is issued. The LURA shall be binding on all successors of the Ownership Entity and run with the land as provided by Section 42(h) (6). Although the LURA will terminate in the event of foreclosure, Section 42(h) (6) (E) (ii) requires that certain limitations as to termination of tenancies and rent increases survive such foreclosure for a period of three years. As a

result, all other lenders or prior lien holders shall consent to the recording of the LURA as a restrictive covenant encumbering and running with the land and acknowledge and agree that those provisions of the LURA that set forth the requirements of Section 42(h)(6)(E)(ii) of the Code are superior to the lender or lien holder's security interest and shall continue in full force and effect for a period of three years following the date of acquisition of the Project by foreclosure (or instrument in lieu of foreclosure). The Ownership Entity shall provide adequate evidence that the LURA is binding on all successors of the Ownership Entity and runs with the land. Adequate evidence includes but is not limited to a copy of a final title opinion showing all the current liens against the Property or a title guaranty certificate showing exclusions. The LURA will also comply with other requirements under the Code, QAP, other relevant statutes and regulations and all representations made in the Project Application. If the Property in the Application has an existing LIHTC LURA, the original LURA requirements, in addition to the Project LURA requirements, will be enforced by IFA.

9.4 Disclosure of Information Regarding Equity Investors or Syndicators. The Applicant shall reveal the name and address of all of the equity partners, investors or syndicators involved in a Project regardless of the nature of the placement of the Tax Credits. If the name of the equity partner or syndicator changes following the time of Application, the Application can be amended after the Tax Credit Reservation is issued. An IRS Form 8609 will not be issued unless the name of a syndicator or equity partner is revealed to IFA. Applicants that have been awarded Tax Credits shall also disclose the name and address of equity partners, investors or syndicators involved with Projects being monitored by IFA. If an IRS Form 8609 has been issued, failure to supply the syndicator or equity partner or investor information may result in the filing of an IRS Form 8823 with the Internal Revenue Service. See Treasury Regulation 1.42-5(a) (2) (ii); IRS Tax Memorandum No. 199944019, August 8, 1999.

9.5 Document Timeliness. All supporting documentation required by the Application shall not be more than 180 days old on the date that the Application is submitted to IFA. Exceptions allowed would include, documents not specifically produced for the Application, such as a valid purchase agreement, deed, land title document, Articles of Incorporation and IRS letters to a Nonprofit stating they are an exempt organization under IRC Section 501(c)(3) or 501(c)(4).

9.6 Opinions and Certifications. The Applicant shall file certifications and professional opinions in support of the Application. All certifications, opinions and documents submitted by attorneys, the Applicant or other professionals shall be based on an independent investigation into the facts and circumstances regarding the proposed Project. Any opinion submitted by any professional that is not based on an independent investigation of the facts and circumstances of a proposed Project will not be accepted. All certifications shall be in the form specified by IFA. The certifications shall be made under penalty of perjury.

9.7 Fractional Rounding. For the purposes of determining the number of Units in an Applicant's election(s), fractional Units will be increased to the next whole Unit.

9.8 Costs Associated with Application Preparation. IFA is not responsible for any costs incurred by the Applicant.

9.9 Ownership of Applications. By submitting an Application, the Applicant agrees that IFA shall become the owner of the Application.

9.10 Public Information. At the conclusion of the selection process, the contents of all Applications shall be placed in the public domain and be opened to inspection by interested parties subject to the provisions of Iowa Code Chapter 22. IFA may treat all information submitted by the Applicant as a public record unless the Applicant properly requests that the information be treated as confidential

information at the time the Application is submitted. Any request for confidential treatment of information shall be included in a letter uploaded in the on-line Application and shall enumerate the specific grounds in Iowa Code Chapter 22 or other provisions of law that support treatment of the material as confidential and shall indicate why disclosure is not in the best interest of the public. The request shall also include the name, address, and telephone number of the Person authorized by the Applicant to respond to any inquiries by IFA concerning the confidential status of the materials. In the event IFA receives a request for the release of information that includes material the Applicant has marked as confidential, IFA shall provide a written notice to the Applicant regarding the request. Unless otherwise directed by a court of competent jurisdiction, IFA will release the requested information within 20 days after providing the written notice of the request to the Applicant. The Applicant's failure to request confidential treatment of material pursuant to this Section may be deemed by IFA as a waiver of any right to confidentiality.

9.11 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.

9.12 IFA Policy on Civil Rights Compliance. IFA is an equal opportunity concern. The Applicant and any of its employees, agents or sub-contractors doing business with IFA understands and agrees that it is the responsibility of the Developer and Ownership Entity to adhere to and comply with all federal civil rights legislation including the Fair Housing Laws, Section 504 of the Rehabilitation Act of 1973, the Americans With Disabilities Act as well as any state and local civil rights legislation. It is the legal responsibility of the Developer and Ownership Entity to be aware of and comply with all non-discrimination provisions of federal, state or local law.

9.13 Qualified Residential Rental Property. The Applicant shall certify that the Project as proposed is a Qualified Residential Rental Property. IFA reserves the right to require the Applicant to supply a legal opinion that the Project as proposed is a Qualified Residential Rental Property.

9.14 Compliance. IFA shall establish procedures for monitoring compliance during: (1) the Compliance Period with the provisions of IRC Section 42 and for notifying the Internal Revenue Service of any noncompliance; and (2) the Compliance Period and the Extended Use Period with the provisions of LURA and the QAP under which they were awarded. Each Ownership Entity is required to comply with the requirements described in this Section, the Treasury Regulations governing Section 42, Revenue Procedure 97-11, and the compliance manual adopted by IFA.

9.14.1 Record Keeping. For each year in the Compliance Period and Extended Use Period, if applicable, the Ownership Entity or its successor in interest shall keep records for each qualified low-income building in the Project, consistent with the Treasury Regulations governing Section 42. The Ownership Entity or its successor in interest shall retain these records for each building in the Project for at least six years after the due date (with extensions) for filing the federal income tax return for that year. The records for the initial taxable year shall be retained for at least six years after the due date for filing the federal income tax return for the last year of the Compliance Period and Extended Use Period, if applicable, of the building.

9.14.2 Annual Certifications. The Ownership Entity shall make all necessary annual certifications required by IFA for the preceding 12-month period, as described in the Treasury Regulations governing Section 42.

9.14.3 Review and Inspections. IFA shall review the certifications submitted in conformance with the Treasury Regulations governing Section 42 effective on the effective date of this QAP. IFA shall have the right to inspect the Projects in conformance with the standards set forth in the

Treasury Regulations governing Section 42. IFA shall provide 48-hour advance notice to the Ownership Entity to inspect any individual Units in a Project. The Ownership Entity shall provide 24-hour advance notice of the inspection to the tenants in the Low-Income Units. Otherwise, advance notice to the Ownership Entity is not necessary for purposes of the inspection provisions set forth in the Treasury Regulations governing Section 42. The owner certifications and reviews of compliance reports shall be made annually. The physical inspections and tenants files reviews shall be made once every three years covering the Compliance Period under IRC Section 42(i)(1). IFA may require that certifications, reviews and inspections be made more frequently, provided that all months within each 12-month period are subject to certification. The reviews, audits and inspections shall continue through the length of the Extended Use Period.

9.14.4 Notice of Noncompliance. IFA will provide prompt written notice to the Ownership Entity of a Project if found to be out of compliance. The notice will describe the events of noncompliance and advise the Ownership Entity of the Tax Credit Project of the time period to correct the events of noncompliance.

9.14.5 Correction Period. The correction period shall not exceed 90 days from the date the notice of noncompliance is sent to the Ownership Entity. IFA may extend the correction period for up to six months, but only if IFA determines there is good cause for granting the extension. During the 90-day time period, or an extension thereof, the Ownership Entity shall supply any missing certifications and bring the Project into compliance with the provisions of IRC Section 42.

9.14.6 Notice to Internal Revenue Service. IFA will send a written notice to the Internal Revenue Service along with an IRS Form 8823 in the event of a finding of noncompliance by an Ownership Entity. Copies of the IRS Form 8823 and the Internal Revenue Service notice will be forwarded to the Ownership Entity.

9.14.7 IFA Retention of Records. IFA shall retain records of noncompliance or failure to certify for six years beyond IFA's filing of the respective IRS Form 8823. In all other cases, IFA will retain the certifications and records described in the QAP for a period of three years from the end of the calendar year in which IFA receives the certification and records.

9.14.8 Delegation of Monitoring. IFA may retain an agent or other private contractor (the "authorized delegate") to perform compliance monitoring. The authorized delegate shall be unrelated to the Ownership Entity of any building that the authorized delegate monitors.

9.14.9 Liability. Compliance with the requirements of IRC Section 42 is the responsibility of the Ownership Entity of the building for which the Tax Credits are allowable. IFA's obligation to monitor for compliance with the requirements of IRC Section 42 shall not make IFA liable for an Ownership Entity's noncompliance.

9.14.10 Violence Against Women Act (VAWA). Title VI of the 2013 VAWA Act, Safe Homes for Victims of Domestic Violence, Dating Violence, Sexual Assault, and Stalking, expanded the applicability of the ACT to the LIHTC program. VAWA protects both child and adult victims of domestic violence, dating violence, sexual assault and stalking. All LIHTC Owners and managers shall comply with the requirements of this Act and shall use HUD 91066, Certification of Domestic Violence, Dating Violence or Stalking and HUD 91067, Lease Addendum.

APPENDIX 1 – THRESHOLD REQUIREMENTS FOR BUILDING, CONSTRUCTION, SITE AND REHABILITATION

The terms of this Appendix 1 are the minimum requirements for any Project awarded Tax Credits under the 2016 QAP. Required documents for Sections B, F, G, H, and I shall be prepared by a duly licensed engineer or architect authorized to do business in Iowa except for item G-22. HERS ratings shall be submitted by a RESNET certified rating agent.

Once final plans, specifications, the energy audit or analysis and, if applicable, the CNA's have been completed; the Applicant shall submit them to IFA and receive written approval before commencing site work or construction.

At all times after award, the Applicant shall promptly inform IFA of any changes or alterations which deviate from the final plans and specifications approved by IFA. In particular, the Applicant shall not take action on any material change in the site layout, floor plan, elevations or amenities without written authorization from IFA, as specified in Section 8.3. This includes changes required by local governments to receive building permits.

Requirements for Accessibility shall be met regardless of the building type and include single family or duplex designs. All rooms and floors within a multi-level Accessible Unit shall be accessible. Accessible Units shall be dispersed throughout the property rather than segregated.

All of the Low-Income Units shall be generally distributed in terms of location and number of bedrooms throughout the Project. The Low-Income Units shall be of comparable quality and offer a range of sizes and number of bedrooms comparable to those Units which are available to other tenants.

A. Site Control. At the time of Application, the Applicant shall have site control by providing executed documents. The following may be proper evidence of site control:

1. The Applicant holds title to the Property on which the Project will be located by a properly executed and recorded warranty deed or a title opinion showing title in the name of the Applicant or a title guaranty certificate showing title in the name of the Applicant; or
2. The Applicant has an executed and exclusive purchase option agreement or other binding agreement that is valid for six months following the date of the Application deadline. Evidence of site ownership shall be submitted with the Carryover Package and ownership shall be continuous and uninterrupted through the issuance of an IRS Form 8609; or
3. The Applicant has an executed purchase contract; or
4. The Applicant has an executed lease or an option on a lease, which lease has a term not less than the longer of: (1) the entire period during which the proposed Project will be subject to the LURA; (2) 50 years; or (3) the expected useful life of the buildings comprising the proposed Project.
5. A site including any building located thereon or Project acquired or used for rental activities, shall be held in fee simple title by the recipient upon the disbursement of HOME funds and throughout the contract term with IFA. An installment contract or leasehold interest is not an acceptable recipient interest.
6. 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, if applicable.

B. Site Suitability. The site shall be suitable for the proposed Project and shall be sized to accommodate the number and type of Units and the amenities proposed. The land costs allocated to the Project cannot include excess acreage unnecessary for the construction and use of the Project. Sites shall

not be located in a FEMA identified or proposed 100-year flood zone. Sites shall not be native prairie land or wetlands.

C. Zoning. The Applicant shall demonstrate that the zoning for each site on which the Project will be located allows for the use(s) proposed by the Applicant. A letter from the city regarding zoning shall be submitted with the Application. The city zoning department shall provide a statement that the official plat is properly zoned. Site plans submitted shall show that; (1) the Project will have the proper number of parking stalls; (2) the Project will be located on a paved road; (3) the Property is not landlocked and has a legal easement(s); and (4) right of ways have been granted, if applicable. If the proposed Project location does not have zoning regulations, a letter from the city shall be submitted attesting to the fact that no zoning regulations are in effect. If the site is not zoned appropriately at initial Application, the Applicant shall certify in the LIHTC Application that the site will be zoned appropriately by the Carryover-Ten Percent (10%) Test Application due date.

D. Access to Paved Roads. All sites proposed shall have direct contiguous access from the Project site to existing paved publicly dedicated right of ways. If the path from the proposed Property entrance to a paved road is de minimis, as determined solely at IFA's discretion, then the Applicant will be allowed to provide a binding commitment for both the construction and financing of the paved road, using funds outside of the Tax Credit development budget. The cost of construction of the paved road shall not be included in the Project costs, and the construction of the paved road shall be completed prior to the issuance of an IRS Form 8609.

E. Access to Utilities. The Applicant shall certify that all Utilities are or will be physically available to and have adequate capacity for the proposed Project. If Utilities are not available to the site on the date the Application is submitted, the Applicant shall supply adequate evidence that demonstrates that the Utilities will be available by start of construction. This evidence shall include the appropriate funding source the Applicant will utilize for the Utility extension. Any charges for the extension of services that are not normal extensions may not be included in Eligible Basis. Utilities shall be available at the site prior to the issuance of an IRS Form 8609.

F. Building Standards. Preliminary site plan and floor plans are to be submitted with the Application to IFA. The Applicant shall demonstrate that they have or will meet local, state and federal standards that apply to the Project, except for any portions thereof the deletion of which has been approved by the Department of Public Safety, the Department of Public Health, or other implementing state agency(ies) (see, e.g., Note following Iowa Administrative Code 661 – 301.8(103A) (2010)), unless a local building code is more restrictive. The current standards are:

1. 2012 International Building Code adopted and published by the International Code Council.
2. 2012 International Existing Building Code adopted and published by the International Code Council.
3. 2012 International Residential Code adopted and published by the International Code Council.
4. 2012 International Fire Code adopted and published by the International Code Council.
5. 2012 International Mechanical Code adopted and published by the International Code Council.
6. 2009 Uniform Plumbing Code adopted by the International Association of Plumbing and Mechanical Officials.
7. 2012 National Electric Code adopted by the National Electrical Code Committee and published by the National Fire Protection Association, Inc.
8. 2012 International Energy Conservation Code adopted by the International Code Council.

9. Iowa Administrative Code, including but not limited to the following Chapters: 300 (Administration), 301 (General Provisions), 302 (Accessibility of Building), 303 (Energy Conservation), and 350 (State Historic Building), and 25 (State Plumbing Code).
10. Uniform Federal Accessibility Standards provided in 24 CFR Part 8 and delineated in the American National Standards Institute Standard 2007 A117.1.
11. The Americans with Disabilities Act 1990 provided by the Federal Department of Justice.
12. The Federal Fair Housing Act of 1988 including Title VI of the Civil Rights Act of 1964, Section 109 of the Housing and Community Development Act of 1974, Title VIII of the Civil Rights Act of 1968, Section 3 of the Housing and Urban Development Act of 1968, Executive Order 11063, Section 504 of the Rehabilitation Act of 1973.
13. 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.
14. For adaptive reuse/rehabilitation, 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.

G. Minimum Development Characteristics. In order to enable long-term housing affordability, low maintenance building exteriors and high energy efficiency components and appliances are encouraged.

The following minimum development characteristics shall be utilized in all construction:

1. Exterior Construction: Air infiltration barrier building wrap required on all new siding installations.
2. Roofs: If shingles will be installed, then the use of a minimum of 25-year shingles with 30 pound roofing felt shall be required. For flat roofs, a system with a 10-year full warranty is required. Full warranty includes: all labor and materials for the entire roofing system and insurance rider for consequential damage.
3. Exterior Entry Doors to Common Areas: Insulated metal or fiberglass type with optional thermo-pane glass insert or thermo-pane glass full lite doors with metal thermal break type frame.
4. Unit Doors: Direct Unit access to exteriors, insulated metal or fiberglass panel type with optional thermo-pane glass insert, 180-degree peephole, lockset and deadbolt lock with one inch throw.
5. Unit Doors: Interior common hall Unit entry of steel or solid core wood with 180-degree peephole, with passage set and deadbolt lock with one inch throw.
6. Overhead Doors: Embossed steel panel doors without insulation to non-heated areas.
7. Durable Window Sills: All window sills/ledges shall be composed of moisture resistant materials such as plastic laminate, molded plastic, cultured marble, etc. Projects with Historic tax credits may provide wood sills if they are specifically required by SHPO.
8. Appliances: The kitchen shall have a cook top, an oven, a microwave, a cooling/freezing unit and a sink. A Family Unit shall have a two bowl kitchen sink. See the Single Room Occupancy definition in Appendix 2-Glossary of Terms for exceptions.
9. Carpeting: Carpets, carpet cushion (i.e. padding), and carpet adhesives shall be labeled with the Carpet & Rug Institute (CRI) Green Label or documented to meet the CRI Green Label testing program criteria. Carpet shall meet the face weight criteria in the table below.

Minimum Weight and Density Requirements for Carpet			
		Nylon	Nylon /Olefin Blend
Location:		Face Weight	Face Weight
In Units	Level/textured Loop	22 oz.	26 oz.
	Cut-Pile Heat Set Plied	24 oz.	30 oz.
Common Areas	Level/textured Loop	26 oz.	28 oz.
	Cut-Pile Heat Set Plied	28 oz.	32 oz.

*Carpet shall contain minimum thirty five percent (35%) recycled content. Polyester carpet is not allowed.

10. Resilient Flooring: Kitchens – either 1/8 inch vinyl composition tile, color and pattern full thickness, LVT with a 12 mil wear layer or sheet vinyl complying with bathroom specification below, made from products that do not use vinyl chloride in the manufacturing process and do not produce dioxin. An alternative to vinyl composite tile or sheet vinyl is natural linoleum flooring, tile flooring, or bamboo.
11. Resilient Flooring: Bathrooms – sheet vinyl with wear surface of 20 mils or greater, with underlayment product on second or higher floors. Resilient flooring shall be made from products that do not use vinyl chloride in the manufacturing process and do not produce dioxin. An alternative is natural linoleum flooring, tile flooring, or bamboo. VCT or LVT is not allowed in restrooms, shall be a sheet product.
12. Shower Flooring: Bathrooms that have Accessible roll in showers shall use molded fiberglass pan or manufactured fiberglass surround unit, non-slip type ceramic floor tiles or terrazzo flooring.
13. Cabinetry: All cabinets, shelves, and countertops made with formaldehyde free materials: solid wood, formaldehyde free particleboard or MDF (medium density fiberboard), metal with natural or baked enamel factory finish. Laminate countertops are required, at a minimum.
14. Window Covering: Window coverings are required. A spring loaded type window shade is not an approved covering.
15. Sidewalks: A concrete sidewalk shall be provided from each entrance door to a public way and where possible, combine the sidewalks. In the event the city requires additional sidewalks, that requirement shall be followed. ADA/UFAS/ANSI A117.1 slope and curb cut ramp requirements shall apply.
16. Laundry: A common laundry room facility located on site with a minimum of one washer/dryer to serve each 12 Units. A minimum of one front loading accessible washer and dryer is required. Central laundry facilities in buildings with an elevator will comply. An Applicant can provide a washer and dryer in each Unit in lieu of a common laundry room facility.
17. Heating and Air Conditioning: All Units shall be heated and air conditioned. Air conditioning equipment shall be at least 13 SEER and use R-410a refrigerant that is charged according to manufacturer specifications. Thru-wall A/C units shall be at least 10.7 EER. Heating equipment shall be at least 90 AFUE for furnaces and 85 AFUE for boilers. Window units are not allowed.
18. Accessible Units: In new, as well as rehab construction, a minimum of ten percent (10%) of all Units supplied shall be Fully Accessible, (as defined in ANSI 117.1) on the building accessible routes which includes all floors if an elevator is provided. All Units on the accessible routes shall be adaptable, (Type B Units per the International Building Code, (IBC)), upon reasonable tenant request for special needs. A minimum of two percent (2%) of all Units supplied shall be adapted for hearing and/or vision impairments as Units with Accessible Communications

Features. The two percent (2%) cannot be included in the ten percent (10%) of the Accessible Units. When an Applicant elects to exceed the ten (10%) requirement for Fully Accessible Units, those Units over and above that requirement shall be Accessible Type A Units per the IBC. Accessible Units shall be dispersed throughout the Property and in different bedroom sizes rather than segregated.

19. Construction Warranty: Obtain a minimum of an one-year construction blanket warranty that is enforceable. The warranty will stipulate that the general contractor is responsible to do or have done any and all required warranty repair work at its expense.
20. High-Speed Internet Access: Provide high speed internet access to each Unit by wiring for broadband, wireless or digital subscriber line (DSL). The service provider is the responsibility of the tenant, unless the Applicant requested scoring points for Free Internet Connectivity.
21. Closets: A closet (2 foot x 5 foot minimum) with a door shall be provided in each bedroom. The minimum complement of closets per Unit include: 1 linen closet and 1 coat closet, each 2 foot x 3 foot minimum.
22. Energy Efficiency: New construction developments with three stories of residential space or less, in addition to meeting Iowa State Code and the IECC, shall meet or exceed Energy Star 3.0 standards and receive a Home Energy Rating Systems (HERS) Index of 70 or less from a certified rater in Iowa. A home energy rating performed by a certified HERS rater is required on each building after it is completed to verify that actual construction meets the above listed requirements. Five Units with different floor plans and orientations for complexes of less than 50 Units and ten percent (10%) of Units, up to a maximum of 10 Units in complexes of 50 or more Units shall be rated. The contract for the determination of the HERS index shall be between the certified rater and the Ownership Entity. If upon completion, a Project does not meet the HERS index of 70 or less, additional steps shall be taken by the Ownership Entity to obtain the HERS index of 70 prior to issuance of the IRS Form 8609.
 New construction developments with four stories or more shall meet ANSI/ASHRAE/IES Standard 90.1-2010. Supporting documentation verifying compliance shall be provided by an independent licensed engineer. If upon completion, a Project does not meet ANSI/ASHRAE/IES Standard 90.1-2010, additional steps shall be taken by the Ownership Entity to meet the standard prior to issuance of IRS Form 8609.
 For existing structures that receive a Tax Credit Reservation, an energy audit conducted by a certified home energy rater or firm specializing in energy efficiency that is acceptable to IFA, shall be provided on each building prior to the preparation of the final work rehabilitation order. Prior to the start of construction, IFA requires an engineer or architect to certify that the design meets the 2012 IECC. The review shall be documented with a letter from the engineer or architect to IFA indicating whether the proposed construction meets the IECC. In the event that the proposed construction does not meet the code requirements, the engineer or architect will provide suggestions for corrections to plans and specifications that will ensure that IECC will be met. At the completion of the rehabilitation, an energy audit by a certified energy rater is required to verify that the rehabilitation work on each building meets the standards of IECC. The contract for the determination of the energy audit shall be between the certified rater and the Ownership Entity. If upon completion, a Project does not verify that the Project has met the specified energy improvements, additional steps shall be taken by the Ownership Entity prior to the issuance of the IRS Form 8609.
23. Minimum Unit Square Footage for New Construction and Adaptive Reuse:

Unit Type	Minimum Unit Square Footage
Efficiency	450

1 Bedroom	625
2 Bedroom	800
3 Bedroom	1000
4 Bedroom	1175

24. **Site Lighting:** It is important that Projects include site lighting adequate to ensure safe and secure travel from parking areas to Unit or building entries. Care shall be taken to provide energy efficient lighting that is not excessive or intrusive to the neighborhood. Areas covered by security cameras shall be illuminated. Cutoff fixtures that direct light downward are encouraged. Minimum requirements of the Iowa State Code will apply in any case. Adequate security lighting is a requirement for final inspection sign-off by IFA.
25. **Unit Bathrooms:** New construction and adaptive reuse Projects with three bedroom Units shall have at least one full bathroom and one half bathroom. New construction and adaptive reuse Projects with four or more bedroom Units shall have at least two full bathrooms.

H. Submission of Site Characteristics. The Applicant shall provide a narrative of the current use of the Property, all adjacent Property land uses, and the surrounding neighborhood. Labeled colored photographs (or color copies) of the proposed Property and all adjacent properties shall be provided, as well as a clear map identifying the exact location of the Project site. In addition, a plat map of the site or proposed replatting map of the site shall be submitted. If the site(s) includes any detrimental characteristics, the Applicant shall provide a remediation plan and budget, subject to IFA’s approval at its sole discretion, to make the site suitable for the Project. If any detrimental site characteristics exist on, or adjacent to the site, IFA may reject the Application. The following represent some, but not all, detrimental site characteristics:

1. Sites located within one half mile of storage areas for hazardous or noxious materials, sewage treatment plant or other solid waste facility, 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. Sites where the slope/terrain is not suitable for a Project based on extensive earth removal/replacement required for development;
3. Sites where there are obvious physical barriers to the Project;
4. Sites that are located within one half mile of a sanitary landfill or sites that were previously used as a sanitary landfill;
5. Sites that are located within a flood hazard area, at or on a 100-year flood zone as determined by the Iowa Department of Natural Resources, FEMA map, FIRM map, or a designated wetland;
6. Sites that are located within 500 feet of an airport runway clear zone or accident potential zone;
7. Sites that are landlocked.

I. Rehabilitation Standards. For all preservation and rehabilitation Projects, 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 Construction 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) which shall be allocable to or substantially benefit the Low-Income Units in such building. The Applicant shall provide the calculations for whether the amount of Rehabilitation Expenditures is at least equal to the greater of twenty percent (20%) of the expected adjusted basis of the building or a \$25,000 Rehabilitation Expenditure limited to Hard Construction Costs per Low-Income Unit.

The Scope of Work shall, at a minimum, address activities related to:

1. Making common areas Accessible, creating or improving sidewalks, installing new roof shingles, adding gutters, sealing brick veneers, applying exterior paint or siding, and re-surfacing or re-paving parking areas;
2. Improving site and exterior dwelling lighting with Energy Star qualified lighting fixtures, landscaping/fencing, and installing high quality vinyl, hardiplank siding or brick;
3. Using energy efficient related Energy Star labeled products to replace inferior ones, including insulated windows;
4. Improving heating and cooling Units, plumbing fixtures and water heaters, toilets, sinks, faucets, and tub/shower Units to meet minimum efficiency standards for new construction; and/or
5. Improving quality of interior conditions and fixtures, including carpet, vinyl, interior doors, painting, drywall repairs, cabinets, Energy Star appliances, Energy Star light fixtures and window coverings to meet minimum efficiency standards for new construction.

Drawings shall show the location of the work indicated in the Scope of Work.

J. Capital Needs Assessment (CNA) for Rehabilitation and Preservation. The Applicant shall provide a CNA prior to start of construction. The CNA shall be prepared by a competent third party that regularly provides CNA's 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.

APPENDIX 2 – GLOSSARY OF TERMS

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

Accessibility means buildings used by the public, accessible to, and functional for, persons with disabilities to, through and within their doors, without loss of function, space, or facility where the general public is concerned. An accessible route means a continuous unobstructed path connecting all accessible elements and spaces in a building or facility that can be negotiated by a severely disabled person using a wheelchair and that is also safe for and usable by people with other disabilities. Interior accessible routes may include corridors, floors, ramps, elevators, lifts, and clear floor space at fixtures. Exterior accessible routes may include parking, access aisles, curb ramps, walks, ramps and lifts.

Accessible Units: the levels of Accessibility within Units are determined as follows:

- **Fully Accessible Unit:** A dwelling Unit designed and constructed for full Accessibility in accordance with Section 1002 of ICC A117.1.
- **Type A Unit:** A dwelling Unit designed and constructed for Accessibility in accordance with the provisions for Type A Units in ICC A117.1- 2009.
- **Type B Unit:** A dwelling Unit designed and constructed for accessibility in accordance with the provisions for Type B Units in ICC A117.1.
- **Visitable (Type C) Unit:** A dwelling Unit designed and constructed for Accessibility in accordance with the provisions for Type C Units in ICC A117.1.
- **Units with Accessible Communication Features:** A dwelling Unit designed and constructed to include accessible communication features in accordance with the provisions for such Units in ICC A117.

Affiliates means with respect to any Person: (1) any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person; (2) any other Person directly or indirectly Controlling fifty percent (50%) or more of the voting securities of such Person; or (3) any officer, director, manager, member or partner acts in any such capacity.

Affirmative Fair Housing Marketing Plan (AFHMP) means to carry out an affirmative program to attract prospective tenants of all minority and non-minority groups in the housing market area regardless of their race, color, religion, sex, national origin, Disability, familial status, religious affiliation, creed, sexual orientation, and gender identity. Racial groups include White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander. Other groups in the housing market area who may be subject to housing discrimination include, but are not limited to, Hispanic or Latino, Persons with disabilities, families with children, or Persons with different religious affiliations. The Applicant shall describe in the AFHMP, the proposed activities to be carried out during advance marketing, where applicable, and during all rent ups. The AFHMP also shall ensure that any groups of Persons ordinarily not likely to apply for this housing without special outreach know about the housing, feel welcome to apply and have the opportunity to rent.

Applicable Fraction means the fraction used to determine the Qualified Basis of the qualified low-income building, which is the smaller of the Unit fraction or the floor space fraction, as defined more fully in IRC Section 42(c)(1).

Applicable Percentage means the percentage multiplied by the Ownership Entity's Qualified Basis to determine the amount of annual Tax Credits available to the Ownership Entity for each year of the Tax Credit Period and as more fully described in IRC Section 42(b).

Applicant means the Ownership Entity.

Application or Application Package means those forms and instructions prepared by IFA to make a determination to allocate Tax Credits. Applicants are required by IFA to use the forms contained in the Application Package. The Application shall include all information required by the QAP and as may be subsequently required by IFA. Applicants shall submit the Application and exhibits through an on-line Application system.

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

Assisted Living Program/Facility means housing with services, as defined in Chapter 231C of the Iowa Code. The Developer shall have successfully obtained an Assisted Living certification for at least one Project from the State of Iowa and be in current good standing with the Iowa Department of Inspections and Appeals.

Bike Racks means the Project will provide and maintain Bike Racks that are adjacent to the primary entrance of each building. The area shall be lighted and in close proximity to a paved path that leads to a recreation trail or safe entrance to a public street.

Board means the Board of Directors of IFA.

Builder Overhead means the cost of continuing operations of a building construction firm.

Builder Profit means the return anticipated for providing building construction services under competitive conditions taking into consideration on-site construction time, work performed by the builder, number of subcontractors and extent of subcontract work and risk and responsibility.

Built-In Dishwasher means the Project will provide and maintain a Built-In Dishwasher throughout the Compliance Period and the Extended Use Period.

Capital Needs Assessment (CNA) means an assessment of the rehabilitation needs of an existing structure. The assessment shall include a site visit and physical inspection of the interior and exterior of Units and structures, as well as an interview with on-site Property management and maintenance personnel to inquire about past repairs/improvements, pending repairs, and existing or chronic physical deficiencies. The assessment shall also consider the presence of hazardous materials on the site. The assessment shall include a detailed opinion as to the proposed budget for recommended improvements and shall identify critical building systems or components that have reached or exceeded their expected useful lives. The assessment shall include a projection of recurring probably 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. The following components shall be examined and analyzed for a CNA:

- Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, gas and electric utilities and lines;
- Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, stairs and drainage;

- 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;
- Mechanical and electrical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, security, low voltage systems and elevators; and
- 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 in their format is acceptable.

Carryover Agreement Date means the date that the Carryover Allocation Agreement is executed by IFA and the Ownership Entity.

Carryover Allocation Agreement or Carryover Agreement or Carryover Allocation means the document which 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, § 1.42-6 and the contents are derived from the Carryover Allocation Package.

Code or IRC means the Internal Revenue Code of 1986, as amended, together with any applicable regulations, rules, rulings, revenue procedures, information statements or other official pronouncements issued there under by the United States Department of the Treasury or the Internal Revenue Service relating to the LIHTC Program authorized by IRC Section 42 to and including October 31, 2008. These documents are incorporated in the QAP by reference and pursuant to 265 IAC §§ 17.4(2) and 17.12(2). A copy of the Internal Revenue Code and Treasury regulations and related information relating to this program are found in the state law library and are available for review by the public.

Community Room means a defined space made available exclusively to all tenants and guests of the Project, either in a stand-alone building or incorporated within a residential structure, located in whole upon the Property.

Community Service Facility means any facility designed to serve primarily individuals whose income is sixty percent (60%) or less of Area Median Gross Income within the meaning of in Section 42(g)(1)(B). It shall meet the following criteria: (1) The facility shall be used to provide services that will improve the quality of life for community residents; (2) The Ownership Entity shall demonstrate that the services provided at the facility will be appropriate and helpful to individuals in the area of the Project whose income is sixty percent (60%) or less of AMI; (3) The facility shall be located on the same tract of land as one of the buildings that comprises the qualified low-income housing Project; (4) If fees are charged for the services provided, they shall be affordable to individuals whose income is sixty percent (60%) or less of AMI; and (5) The Community Service Facility shall be located in a QCT.

Compliance Period (Initial 15-year Compliance Period) means 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.

Computer Learning Center means an on-site physical space or room used for the purpose of providing access and education related to computers. The Computer Learning Center shall provide a minimum of one computer per 24 units, be in a location suitable for the use as designated by IFA. The Computer Learning Center provided in a previous or subsequent phase cannot be substituted.

Construction Contingency means a set percentage of Hard Construction Costs that is budgeted for unforeseen emergencies or shortfalls identified after construction commencement.

Consultant Fee means a fee paid to a housing consultant. No Entity having an Identity of Interest with the Developer may earn a fee for providing services that would otherwise be provided on a fee basis by a housing consultant. Consultant efforts shall be directed exclusively towards serving the specific Project being proposed.

Control (including the terms Controlling, Controls, Controlled by, under common Control with, or some variation or combination of all three 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 fifty percent (50%) of the General Partner interest in a limited partnership, or designation as a managing General Partner or the managing member of a limited liability company.

Debt Service Coverage Ratio (DSCR) or Debt Coverage Ratio (DCR) means the ratio of a Property's net operating income (rental income less operating expenses and reserve payments) to foreclosable, currently amortizing, debt service obligations.

Developer (Co-Developer) means any individual or Entity responsible for initiating and Controlling the development process and ensuring that all phases of the development process, or any material portion thereof, are accomplished.

Difficult Development Areas (DDA) mean any areas that are so designated by the Secretary of HUD as areas which have high construction, land, and utility costs relative to area median family income.

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

Disaster Relief Tax Credits means low-income housing Tax Credits for Disaster Recovery Assistance housing in the amount of \$8.00 per capita authorized pursuant to the Heartland Disaster Tax Relief Act of 2008.

Eligible Basis means, with respect to a building within a Project, the building's Eligible Basis at the close of the first taxable year of the Tax Credit Period and as further defined in IRC Section 42(d). Eligible Basis shall not include garages or Storage Units or other amenities where the Ownership Entity is charging tenants for the use of the garage or Storage Unit or other amenities, except when the garage or Storage Units or other amenities are part of normal rent for all of the Units in the Project. If a grant is made with respect to any building or its operation during any taxable year of the Compliance Period and Extended Use Period, if applicable, and any portions of such grant is funded with federal funds, the Eligible Basis of the building for that taxable year and all succeeding taxable years shall be reduced by the portion of the grant.

Eligible Basis for Rehabilitation Project includes the definition of Eligible Basis with the adjustments described in this Section. No Tax Credits shall be available for acquisition of an existing building unless

all of the following criteria are met: (1) the building is acquired by purchase; (2) subject to limited exceptions, at least 10 years has elapsed since the building was last Placed-in-Service or if more recent, the date of certain improvements costing at least twenty-five percent (25%) of the Applicant's adjusted basis in the building; and (3) the building was not previously Placed-in-Service by a related Person to the current Applicant. For the purposes of this paragraph, "Related Person" shall have the same meaning as IRC Section 42(d)(2)(D)(ii); and the building is rehabilitated in a manner which is eligible for Tax Credits.

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

Evaluators mean members of IFA Staff, temporary staff hired to evaluate the Tax Credit Applications, or staff from municipalities, or other state or federal agencies, including but not limited to the Department of Human Services, Department of Cultural Affairs, IEDA and USDA.

Extended Use Period (Long Term Compliance Period) means the time frame which 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.

Family means one or more individuals that may be domiciled with one or more Persons under age 18. A Family Project is not an Older Persons Project.

Free Internet Connectivity means the Project will provide, at no cost to the tenant, broadband internet access to each unit. The term broadband includes a broad range of technologies, all of which provide a minimum rate of 3Mbps.

Free On-site Parking means the Project will provide, at no cost to the tenant, one parking space per unit within one quarter mile, walking distance, of the Projects primary address. Parking shall meet IFA site control requirements.

Full Service Grocery Store means a grocery store that has available for purchase the following categories: Fresh meat (beef, pork, chicken, etc.); dairy products (milk, cheese, butter, etc.); frozen foods (vegetables, pizza, ice cream, frozen meals, etc.); canned goods (beans, tomato products, juices, soups, etc.); paper products (toilet paper, paper towels, diapers, feminine products, etc.); health & beauty products (OTC medicines, hair care products, deodorant, etc.); spices (salt, pepper, cinnamon, oregano, etc.); and bread & bakery products (loaves, buns, donuts, lunch/snack items, etc.).

General Partner means the General Partner of a limited partnership or a limited liability limited partnership as set forth in the limited partnership agreement or as otherwise established by the Uniform Limited Partnership Act, Iowa Code chapter 488.

General Pool means all low-income housing Per Capita Tax Credits available under the QAP, other than those committed to Set-Asides under the QAP.

Governmental Entity or Political Subdivision means federal or state agencies, departments, boards, bureaus, commissions, authorities, and political subdivisions, special districts and other similar entities, their employees, board members or agents.

Hard Construction Costs mean the following items: 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.

Held for Occupancy means the percentage of the total Project Units specified in the approved Application shall be designed and Held for Occupancy by members of the Target Population, with IFA's "Held for Occupancy Policy" that states the following: (1) During initial lease-up, priority shall be given in the tenant screening process to income-qualified households in the Target Population. A minimum of the percentage of total Project Units committed in the approved Application for occupancy by the Target Population (the "Minimum Unit Percentage") up to a maximum of twenty-five percent (25%) of the total Project Units shall be Held for Occupancy by qualified Target Population households until the lesser of such time as the minimum unit commitment has been met or for a period of 60 days from the Placed-in-Service Date; (2) Once a Unit occupied by a Target Population household has vacated, that Unit shall be held for a minimum of 30 days for occupancy by another qualified Target Population household unless the Project otherwise complies with the Minimum Unit Percentage. Efforts to market the available Unit to the Target Population shall be demonstrated during this time period; (3) If after a 30-day period the Unit is leased to a household that does not meet the Target Population commitment and the Project does not otherwise meet the Minimum Unit Percentage, the next subsequent available Unit shall be marketed to and Held for Occupancy by the Target Population for 30 days. This subsequent unoccupied Unit rule will continue to apply until the Project has once again met its Minimum Unit Percentage requirement; (4) Any household that qualified as a member of the Target Population at initial occupancy or at any time during occupancy will be counted as occupying a qualified service plan Unit when calculating the Project's compliance with the Minimum Unit Percentage; and (5) The Project shall comply with the Minimum Unit Percentage and all other Target Population requirements at initial lease-up and throughout the Compliance Period and the Extended Use Period, if applicable. In addition, the Target Population commitments will be specified in the LURA.

Implementation of the Held for Occupancy policy's required 30-day hold period shall begin on the date the tenant gives notice to vacate. In theory, the 30-day hold marketing of the available Unit to the Target Population will be done while the Unit is still occupied. Once the tenant leaves the Project at the end of the 30-day notice period, the Project will rent the Unit to the next eligible applicant, giving priority to members of the Target Population.

If the tenant does not provide a 30-day notice to vacate, the 30-day hold period will begin on the day Property management becomes aware of the tenant household's intent to vacate or becomes aware that the tenant has already moved out of the Unit. Compliance with the 30-day hold period shall be demonstrated whether or not the tenant provides a full 30-day notice to vacate.

Housing Credit Agency means IFA. Pursuant to Iowa Code Section 16.35, IFA is charged with the responsibility of allocating Tax Credits pursuant to IRC Section 42(h)(8)(A) and pursuant to Iowa Code Section 16.35.

HUD means the United States Department of Housing and Urban Development, or its successor.

Identity of Interest means 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.

IEDA means the Iowa Economic Development Authority.

IFA means the Iowa Finance Authority.

IFA LIHTC Manager means an individual who is charged with administering the LIHTC division of the IFA.

In-Unit Laundry Space with Washer and Dryer means a dedicated laundry space within the Unit with at least one washer and dryer provided and maintained by the Owner. If a Unit is Accessible, the Accessibility requirements shall be met for the laundry space and the laundry equipment (washer and dryer). The dryer shall be vented to the exterior of the building.

IRS means the Internal Revenue Service, or its successor.

Joint Review Team means representatives of IFA, IEDA, USDA, or the City of Des Moines to review Projects that have requested funding by IFA's LIHTC Program and the State HOME funds, and city HOME funds. Staff for the respective agency (ies) will make recommendations regarding Tax Credit awards and HOME awards to their respective decision makers. A decision by one agency or department within an agency to fund a Project does not bind the other department or agency to fund a Project. The failure to provide funds is a financial feasibility issue that could ultimately disqualify the Project from consideration.

Land Use Restrictive Covenants a/k/a Land Use Restrictive Agreement (LURA) means an agreement between IFA and the Ownership Entity and all of its successors in interest where the parties agree that the Project will be an affordable housing Project through the length of the Compliance Period and Extended Use Period, if applicable, by the Ownership Entity and upon which the award of Tax Credits was in part, based. The LURA will contain restrictive covenants that shall encumber the land where the Project is located for the life of the agreement. The LURA shall conform to the requirements of IRC Section 42(h), Iowa Code Section 16.35 and the QAP.

LIHTC means the Low-Income Housing Tax Credit Program authorized by IRC Section 42.

Local Government Contribution means contributions by a city or county, or an agency, department or similar subunit thereof, in the form of a cash contribution, gift of land, tax abatement (not tax exemption), tax increment financing, Urban Revitalization Tax Exemption (URTE), enterprise zone credits, enterprise zone sales tax rebates, waiver of fees, or below market interest rate loan (value calculated on imputed savings). A resolution adopted by the city council that allows the creation of a TIF district or an URTE, subject to the Project being awarded Tax Credits, is an acceptable commitment. State HOME funds or USDA funds are not eligible sources for this category, however, City HOME funds do qualify.

Local Housing Trust Fund (LHTF) means a Local Housing Trust Fund that has been certified by the Iowa Finance Authority in accordance with administrative rules governing the Local Housing Trust Fund Program.

Local Lead Agency means a Nonprofit organization, an Aging and Disability Resource Center or a governmental or quasi-governmental entity such as the mental health and disability services region in which the project is located, that is not affiliated with or controlled by a for-profit organization and includes in its mission the provision of case management, service coordination, or social services to promote community inclusion and to improve the quality of life of Persons with Disabilities. If the Local

Lead Agency is an entity other than the mental health and disability services region or an Aging and Disability Resource Center in which the project is located, the Local Lead Agency or its direct predecessor entity shall have a minimum of two years of experience in serving Persons with Disabilities in the state of Iowa.

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

Manager's Unit means a residential Property (common space) Unit, occupied by a full-time employee, to benefit the tenants. The Unit is considered necessary and used exclusively for the Property.

Materially Participating means the participant is involved in the development and operation of a LIHTC project on a basis which is regular, continuous and substantial.

Medical Services means a clinic or hospital at which a clinical diagnosis can be obtained from a medical doctor (MD), Doctor of Osteopathic Medicine (DO) or a Physician Assistant (PA). A Physician or Physician Assistant is concerned with preventing, maintaining, and treating human illness and injury. The Physician and Physician Assistants may conduct physical exams, diagnose and treat illnesses, order and interpret tests, counsel on preventive health care, assist in surgery and write prescriptions.

Metropolitan Statistical Area (MSA) means (as defined by the U.S. Office of Management and Budget (OMB), Federal Register (75 FR 37246-37252) Doc. 2010-15605, dated June 28, 2010 and OMB Bulletin No. 15-01 dated 7-15-2015) a Core Based Statistical Area associated with at least one urbanized area that has a population of at least 50,000. The Metropolitan Statistical Area comprises the central county or counties containing the core, plus adjacent outlying counties that have a high degree of social and economic integration with the central county or counties as measured through commuting. A listing of Iowa MSA's will be available in the on-line Application.

New Developer means a Developer that has not been allocated Low-Income Housing Tax Credits in the last five years.

Non-Metropolitan Statistical Area (non-MSA) means an area not identified as a MSA as defined by the U.S. Office of Management and Budget (OMB), Federal Register Doc. 2010-15605, dated June 25, 2010.

Older Persons means persons 55 or older. An Older Persons Project is exempt from the prohibition against familial status discrimination under the Fair Housing Act if: (1) the HUD Secretary has determined that it is specifically designed for and occupied by elderly Persons under a federal, state or local government program; (2) is occupied solely by Persons who are 62 or older; or (3) it houses at least one Person who is 55 or older in at least eighty percent (80%) of the occupied Units, and adheres to a policy that demonstrates intent to house Persons who are 55 or older.

Owner/Ownership Entity means the Single Asset Entity to which Tax Credits will be or have been awarded.

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

Ownership Entity Agreement means a written, legally binding agreement describing the rights, duties, and obligations of the owners in the Ownership Entity.

Park (City, State or County) means an area of land that is established at the date of the Application and set-apart, owned, or managed by a city, state or county governmental entity and available to the general

public for use of its facilities for recreation. This does not include exclusively sports facilities and fairgrounds.

Per Capita Tax Credits means the credits that IFA is authorized to allocate pursuant to the formula set forth in IRC Section 42(h)(3)(c)(ii)(1).

Person means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so admits; and, unless the context otherwise requires, the singular shall include the plural, and the masculine gender shall include the feminine and the neuter and vice versa.

Placed-in-Service Date means the date the Property is ready for occupancy. The Placed-in-Service Date generally marks the beginning of the credit period.

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

Property means 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.

Public Library means a facility accessible by the general public, generally funded from public sources such as taxes, and operated by a government entity to help educate and promote literacy. A public library is: (1) governed by a local board; (2) open to every community member; and (3) provides basic services without charge (story times, quiet study areas, etc.).

Public Transportation means a passenger (transportation) service which is available for use by the general public that has set routes, stops, and time points. This type of transit is provided where no advance reservations are necessary. Service is available to the general public, including persons with disabilities. This does not include Amtrak and multi-state bus companies.

Qualified Allocation Plan (QAP) means an allocation plan used to select and award Tax Credits to qualified recipients.

Qualified Basis means, with respect to a building within a Project, the building's Eligible Basis multiplied by the Applicable Fraction, within the meaning of IRC Section 42(c)(1).

Qualified Census Tract means any census tract which is designated by the Secretary of HUD and, for the most recent year for which census data is available on household income in such tract, either in which fifty percent (50%) or more of the households have an income which is less than sixty percent (60%) of the AMI for such year or which has a poverty rate of at least twenty-five percent (25%).

Qualified Contract means a bona fide contract to acquire a LIHTC Project for the sum of the existing debt, adjusted investor equity and other capital contributions, less Project cash distributions.

Qualified Development Team means the individuals or companies that develop the Project including but not limited to the following mandatory members: Project Developer, General Partner/managing member, architect, tax attorney, management company, energy consultant, tax accountant and non-mandatory members: development consultant, contractor, engineer and syndicator. Anyone with an Identity of Interest is a mandatory team member. Failure to disclose an Identity of Interest is an unsatisfactory performance issue with IFA and may deem the party ineligible for future rounds.

Qualified Nonprofit Organization or Nonprofit means an organization that is described in IRC Section 501(c)(3) or (4), that is exempt from federal income taxation under IRC Section 501(a), that is not affiliated with or Controlled by a for-profit organization, and includes as one of its exempt purposes the fostering of low-income housing within the meaning of IRC Section 42(h)(5)(C) and is allowed by law or otherwise to hold and develop Property.

Qualified Residential Rental Property shall have the same meaning as defined in IRC Section 42(d).

Radon System (Sub-Slab Depressurization System) means radon-resistant features below the building slab along with vertical vent pipe(s) with junction box(es) following requirements in Appendix F, “Radon Control Methods” in the 2012 International Residential Code. Find technical guidance at www.epa.gov/iaq/radon/pubs/index.html.

Rehabilitation Expenditure(s) means depreciable expenditures which are for Property or improvements that are chargeable to the capital account and which are incurred in connection with the rehabilitation of a building. Rehabilitation Expenditures are not eligible for Tax Credits unless the expenditures are allocable to or substantially benefit one or more Low-Income Units and the amount of such expenditures during any 24 month period selected by the Applicant is at least the greater of twenty percent (20%) of the Applicant’s adjusted basis of the building at the start of the 24 month period, or \$6,500 per Unit. See also, IRC Section 42(e)(2). The Application shall show the calculations for whether the amount of Rehabilitation Expenditures is at least equal to the greater of twenty percent (20%) of the expected adjusted basis of the building or a \$25,000 Rehabilitation Expenditure limited to Hard Construction Costs per Low-Income Unit.

ROSE Program means Renter to Ownership Savings Equity (ROSE) Program. The Iowa ROSE Program is only for low-income tenants which are qualified under the LIHTC Program and the Owner shall be required to elect a 40/60 minimum set-aside for each single family detached unit. The Iowa Rose Program provides a savings plan for homeownership in years 1 through 15 to purchase a home of their choice, and provides a plan to sell the house to an existing LIHTC tenant at the end of the Compliance Period. All utilities shall be paid by the tenants in this Program. For each month that the tenant resides in a Unit, at least \$50 will be placed in an account to be used by the tenant, at the completion of a lease term, for the purpose of securing homeownership. If a tenant leaves a Property without securing homeownership, the residual of the deposits made on behalf of the tenant are to be shared among the remaining tenants. Interest earned on the account shall go to the tenant, or be used by the Owner to assist with the cost of providing homeownership education and credit counseling. Only detached single family homes qualify for the ROSE program and shall be new construction without an existing LURA. At the completion of the Compliance Period, the Unit shall be offered to the current tenant. Prior to sale of the Unit, any reserves available shall be used to make improvements as determined by a Capitol Needs Assessment performed by a third-party contractor. If the reserves are not sufficient, the Owner will provide other sources of funds to make repairs. The Owner shall provide documentation illustrating how the purchase price is being determined, and evidencing the tenants’ monthly anticipated mortgage payment, and tenant-paid Utilities.

Rural means a Non-MSA city or county.

Scattered Site is a Project where multiple buildings with similar Units are not located in proximity to one another, but are owned by the same party and financed under the same agreement(s), and are located within a 20-mile radius, as determined by Google Maps (www.Googlemaps.com). A Scattered Site Project may be new construction, acquisition, rehabilitation or a combination of these types. For Scattered Site Projects, all Units shall be qualified LIHTC Units.

Schools mean an elementary, junior high or high school accredited by the Iowa Department of Education. The school(s) selected shall be in the school district which would serve the Project and the school shall be tuition free for those attending.

Scope of Work means the division of work to be performed under a contract or subcontract in the completion of a Project, typically broken out into specific tasks with deadlines.

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

Senior Housing means housing specifically designed to meet the needs of senior citizens. Housing that meets the Fair Housing Act definition of housing for older persons 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, state or local government program; (2) it is occupied solely by persons who are 62 or older; or (3) it houses at least one person who is 55 years or older in at least 80 percent of the occupied Units, and adheres to a policy that demonstrates intent to house persons who are 55 years old or older. Therefore, housing that satisfies the legal definition of Senior Housing or housing for older persons described above, can legally exclude families with children. The Housing for Older Persons Act (HOPA) signed into law on December 28, 1995, further modified definition to require facilities or communities claiming the exemption establish age verification procedures. A housing community or facility is any dwelling or group of dwelling Units governed by a common set of rules, regulations or restrictions. A portion of a single building may not be considered a housing facility or community. There shall be a sufficient number of dwelling Units to constitute a "community" or "facility". Advertising and manner in which the facility/community is described to prospective residents shall show intent to provide housing for elderly persons.

Significant Parties include, but are not limited to, the Ownership Entity, the eventual Owner of the Tax Credit Project, the eventual taxpayer of the Tax Credit Project, the Developer, General Partner, managing member, accountant, architect, engineer, financial consultant, any other consultant, management agent and the general contractor, and other Persons determined by IFA to have an Identity of Interest or of personnel with any Significant Party.

Single Room Occupancy (SRO) Housing means housing consisting of single room dwelling Units that is the primary residence of its occupant or occupants. The Unit shall contain either food preparation or sanitary facilities, or both, if the Project consists of new construction, conversion of non-residential space, or reconstruction. For acquisition or rehabilitation of an existing residential structure, neither food preparation nor sanitary facilities are required to be in the Unit. If the Units do not contain sanitary facilities, the building shall contain sanitary facilities that are shared by tenants. SRO does not include facilities for students.

State Ceiling means the limitation imposed by IRC Section 42(h) on the aggregate amount of Tax Credit Allocations that may be made by IFA during any calendar year, as determined from time to time by IFA in accordance with IRC Section 42(h)(3).

State Issued Notice of Noncompliance means 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, if applicable. This report will be issued to the Owner only after the 90 day correction period has expired and no action has been taken to correct all reported noncompliance issues to IFA's satisfaction.

Storage Unit means a dedicated, lockable, structurally strong and secure, floor to ceiling room that is at least 20 square feet. The Storage Unit shall be in addition to and excess of the required bedroom, linen and coat closets. Storage rooms shall be maintained in compliance with the requirements for fire safety and Uniform Fire Code, which limits flammable and combustible materials.

Target(ed) Population means Persons with a physical or mental, and/or developmental Disability, which may include persons with brain injury, mental illness or co-occurring disorders.

Tax Credits mean the Low-Income Housing Tax Credits issued pursuant to the program, IRC Section 42 and Iowa Code Section 16.35. Tax Credits are determined under IRC Section 42(a) for any taxable year in the Tax Credit Period equal to the amount of the Applicable Percentage of the Qualified Basis for each qualified low-income building.

Tax Credit Allocation or Reservation amount means, with respect to a Project or a building within a Project, the amount of Tax Credits IFA allocates to an Ownership Entity and determines to be necessary for the financial feasibility of the Project and its viability as a qualified low-income housing Project throughout the Compliance Period and Extended Use Period, if applicable. IFA allocates the Tax Credit amount to the Ownership Entity based on the credit price obtained from the Tax Credit investor(s) and applies this price to one hundred percent (100%) of the Tax Credit amount. IFA does not adjust the Tax Credit Allocation based on the components of the Ownership Entity.

Tax Credit Period means, with respect to a building within a Project, the period of 10 taxable years beginning with the taxable year the building is Placed-in-Service or, at the election of the Ownership Entity the succeeding taxable year, as more fully defined in IRC Section 42(f)(1).

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

Total Project Costs means the total costs reflected in the Application.

Transitional Housing means housing with the purpose of facilitating the movement of individuals and families experiencing homelessness to permanent housing within 24 months.

Underserved City means a city that has not received an allocation of Low-Income Housing Tax Credits in the last three years.

Unit means 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, except as allowed in a Single Room Occupancy

Unreserved Tax Credits means Tax Credits that were not awarded by IFA during its most recent round of allocation or are returned to IFA during the current year. These Tax Credits may be eligible for redistribution in accordance with the rules of IFA or may be carried forward to the next year's allocation cycle.

Utilities mean gas, electricity, water and sewer service.

Video Security System means a security system that shall record activity at the site such that no part of the site can be accessed without that activity being recorded at a level of resolution wherein the persons recorded are recognizable. The recordings shall be maintained for a minimum of 30 days. To be eligible for points, single family or Scattered Site Projects are required to have the Video Security System to cover all Units.

Visitable (Type C) Unit means a dwelling Unit designed and constructed for Accessibility in accordance with the provisions for Type C Units in 2009 ICC A117.1. Please refer to Accessible Units for all Unit type definitions.

Walking Trails means a continuous walking path on the property that is paved, has a width of no less than four feet, and has effective lighting directed towards the ground. Benches or other seating options shall be provided to offer tenants a place to rest.

Workforce Training means a federally-funded Workforce Investment Act (WIA) training program with a course of study that upon successful completion leads to a certificate, an associate degree, baccalaureate degree, or competency skill. The Workforce Training shall be provided by certified eligible training providers that include: (1) Post-Secondary educational institutions eligible to receive funds under Title IV of the Higher Education Act of 1965 and provide a program that leads to an associate degree, baccalaureate degree or certificate; (2) Entities that carry out programs under the National Apprenticeship Act; or (3) Other public or private providers of a training services program. Refer to Appendix C of the Application Package for list of certified training providers.