

Overview of Changes to 2010 Qualified Allocation Plan (as of 9/2/09)

Introduction

- Revises application cycle, accepting applications from January to March 2010, and awarding credits in May and June 2010

Part A: Requirements for 9% Credits

- Implements online application process
- Establishes August 31, 2010 as the date for the carryover agreements
- Establishes a HOME set-aside for 25% of the available credits
- Sets a cap of \$5 million in credits for a single developer (unlimited number of projects)
- Sets a “per project” cap of \$2 million
- States that projects that specify that if a nonprofit is materially participating in a project, that fact will be noted in the Carryover Agreement and LURA
- Increases the compliance fee, establishes a date for the annual payment of the compliance fee, and allows IFA to increase the annual compliance fee
- Charges the owner the actual cost of filing the LURA
- Establishes a prioritization for review and award of credits (rankmaster order: HOME set-aside, non-profit set-aside, counties with significant flood impact, and general pool)
- Increases the minimum vacancy rate to 8%
- Revises the allowed debt service coverage ratio to 1.20 to 1.50
- Increases the operating reserves to 8 months
- Specifies that if the General Partner is a non-profit organization that no less than 30% of the developer fee must go to the non-profit
- Establishes a unit cost cap at the 221(d)3 limits for elevator construction times the high cost percentage (less the costs of off-site land improvements)
- Specifies that IFA will not fund projects with tax credits that exceed these limits
- For buildings receiving historic tax credits, specifies that IFA will not fund projects with LIHTC if costs exceed the 221(d)3 limits plus the amount of the residential portion of the historic tax credits
- Specifies that the management company/manager must have at least 1 year of experience successfully managing a Section 42 property
- Revises the language for Ineligible Applicant/Significant Parties
- Establishes a minimum score of 200 points
- Increases points received for Great Places, Disaster Response, Building Characteristics, Impact on the Environment, and Title Guaranty

Part B: Requirements for 4% Credits

- Makes similar revisions in the 4% section

Appendix 1

- Updates building standards
- Revises minimum requirements for cabinetry

Appendix 2

- Adds glossary terms