

2025 4% APPENDIX LIST

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APPENDIX A 4% TAX-EXEMPT BOND FINANCED LIHTC APPLICATION INSTRUCTIONS

Applicants for Low-Income Housing Tax Credits (LIHTC) under the 4% Housing Tax Credit Program shall be required to submit an electronic Application Summary through the online Application to initiate discussion with IFA regarding the Tax-Exempt Bond process to determine whether IFA will be the conduit tax-exempt bond issuer or the bond issuer and mortgagee through the Multifamily Loan Program. IFA will review the Application Summary and request a project narrative to discuss internally. A decision by IFA will be made on whether the Applicant can proceed with the Bond Application.

- 1. If IFA is the conduit issuer of the tax-exempt bonds and the Applicant is approved to proceed, the Applicant shall submit the Economic Development Bond Application and fees through the online Application.
- 2. The Private Activity Bond Cap (CAP) requirements set forth in the 4% Qualified Allocation Plan (QAP) shall apply.
- 3. The LIHTC Application will not be allowed to be submitted until the Applicant receives IFA Board approval on the bond inducement resolution. LIHTC Applications may be submitted at any time using the online Application; however, Applications submitted during the 9% LIHTC Application round may not be reviewed during the 9% LIHTC Application review process.
- 4. Only complete Applications shall be submitted. A Project shall satisfy all the underwriting and threshold requirements of the 4% QAP.
- 5. Once submitted to IFA, the Application will be unavailable to the Applicant until such time that the Applicant needs to make a change per IFA's request. The Application will then be available to the Applicant for such changes.
- 6. If the Owner will be electing the Placed-in-Service date for the Gross Rent floor rather than IFA's determination letter for the Gross Rent Floor, make election on the Project Description Tab and submit the IFA-Required Form, Exhibit 21T. The form shall be submitted prior to any building's Placed-in-Service Date.
- 7. Generally, bonds need to stay in place at least through submission of the IRS Form 8609 Application package.



APPENDIX B 4% EXHIBITS CHECKLIST

IFA-required forms are available on the Exhibits Tab of the Application and must not be modified.

Exhibit	Title and Narrative Description	Application Reference	Required
1T	 APPLICATION CERTIFICATION & ACKNOWLEDGEMENTS <u>IFA Required Form</u> The Application pre-fills the entity names entered on the Qualified Development Team Tab into Exhibit 1T. Generate Exhibit 1T by selecting IFA Form Required after all team members have been entered on the Qualified Development Team Tab. Must include original signatures or must provide valid digital signature with date and time signed. 	Qualified Development Team, Ownership Entity & Buildings	All Projects
1Та	DUE DILIGENCE CERTIFICATION & RELEASE IFA Required Form Tax Records are automatically excluded from public record and a Confidentiality Request is not necessary.	Qualified Development Team, Ownership Entity	All Projects
2T	 CURRENT REAL ESTATE TAX ASSESSMENT DOCUMENTATION Provide a current print-out from the county assessor for the real estate on which the Project is or will be located that shows the current owner of the real estate. 	Project Name and Location, Buildings, Site Description & Site Control	All Projects
3T's	 OWNERSHIP ENTITY (OE) 3Ta: IRS F.E.I.N. letter in the Ownership Entity's name. 3Tb & 3Tc: A Limited Partnership ("LP"), Limited Liability Partnership ("LLP") or Limited Liability Limited Partnership ("LLLP") file- stamped certificate of Limited Partnership and a current Limited Partnership Agreement. 3Td & 3Te: A Limited Company ("LC"), Limited liability Company ("LLC") Ownership Entity's- file-stamped Article of Organization and a current Operating Agreement. 3Tf: Ownership Entity organizational chart. Please do not list tax identification numbers or social security numbers. 	Ownership Entity	All Projects

4T's	OWNER REPRESENTATIVE(S) (GENERAL PARTNERS/MANAGING MEMBER) ORGANIZATIONAL DOCUMENTS	Ownership Entity – Components & Qualified Development	All Projects
	4Ta : Each General Partner's (listed in the Application and Organizational Chart) file-stamped Certificate of Limited Partnership; and	Team	
	4Tb : Current Limited Partnership Agreement for each.		
	4Tc: Each Managing Member's (listed in the Application and Organizational Chart) file-stamped Articles of Organization; and 4Td: Current Operating Agreement for each.		
	4Te: Corporation's File-Stamped Articles of Incorporation 4Tf: By-laws		
	4Tg : Board Resolution approving actions of the corporation concerning the proposed Project, including minutes of election		
	of officers and minutes for authorization of individual(s) to sign, along with title.		
	Required for each.		
5T	CONSTRUCTION AND PERMANENT FINANCING LETTER OF INTENT	Funding Sources	All Projects
	Provide letter of intent on lending institution's letterhead that includes loan amount, interest rate, term, amortization period (min. of 30 years required for first mortgage debt), fees, pre-payment penalties, anticipated security interest in the Property and lien position.		
6T	LETTERS OF INTENT FROM OTHER FUNDING SOURCES	Funding Sources	All Projects
	Provide letters for all other funding sources that includes existing debt to be assumed, that states the value of the funding, the purpose of the funds may be used for, and any time limitations.		
6Ta	FEDERAL AND STATE HISTORIC TAX CREDIT DOCUMENTATION	Buildings, Funding Sources, Costs and Credit Calc.	If applicable
	 Provide documentation from the State Historical Preservation Officer demonstrating that all buildings within the Project are listed on the National Register of Historic Places or determined to be eligible for the National Register by the State Historic Preservation Officer. If Part 1 has been approved, provide a copy. Provide letter of intent for the equity for both the federal and state historic tax credits. 		

7T	HUD OR RURAL DEVELOPMENT ("RD")	Project	If applicable
71	AUTHORIZATION TO RELEASE OF INFORMATION	Description, Site Control & Buildings	
	IFA Required Form	Dullulliys	
	Provide the signed applicable HUD or RD Required Form.		
7Ta	CURRENT RENT ROLL	Project Description & Buildings	Acq/Rehab, Rehab Projects
8T	ATTORNEY OPINION AS TO ELIGIBILITY FOR ACQUISITION CREDITS	Project Description, Buildings, Site	If Acquisition Credits requested
	IFA Required Template	Control, Costs and Credit Calc.	
	 Do not modify the form. An attachment providing clarification is acceptable. 		
	• A certification may not be relied as sole source/basis for the attorney opinion.		
9T	• EXECUTED COPY OF THE DEVELOPMENT	Qualified	Projects with a
	CONSULTANT AGREEMENT(S)	Development	Development
	Provide an executed copy of the Agreement(s).	Team & Costs and Credit Calc.	Consultant
10T	SYNDICATION OR OTHER SALE OR EXCHANGE OF TAX CREDIT INTEREST TO INVESTORS DOCUMENTATION	Qualified Development Team & Funding	All Projects
	• Provide a copy of the Syndicator/Direct Investor letter of interest that includes equity price and approximate equity amount.	Sources	
11T	TENANT PAID UTILITY ALLOWANCE DOCUMENTATION	Project Description,	When utilities are not included
	 Submit one of the following: 1) Public Housing Authority ("PHA") utility allowance schedule. Circle the amounts on the PHA utility allowance schedule. If more than 13 months old, provide a letter from the PHA stating the utility allowance schedule is still current. 2) Utility allowance prepared using the HUD Utility Schedule Model (HUSM) and supporting documentation. If HOME funds will be used, HUSM is required. 3) If the Project has federal project-based rental assistance with HUD or Rural Development ("RD"), provide a copy of the current HUD Rent Schedule or utility allowance documentation from RD instead of the PHA utility allowance schedule. 	Buildings & Project Amenities	in rent or if a Project has federal project- based rental assistance.

12T MA	RKET STUDY REPORT	Exhibits	All Projects
n g p n	Submit a comprehensive market analysis with a full parrative report following IFA's current market study puidelines that is prepared by an independent third- party National Council of Housing Market Analysts nember unaffiliated with the developer. Refer to Appendix O – Market Study Guidelines.		
• F g p	ANSITIONAL HOUSING Provide information detailing how a non-profit or povernmental entity will work to transition tenants out to permanent housing within 24 months and detail the supportive service programs.	Project Description	Transitional Housing Projects
14T RESERVE	ED		
IFA	NFIDENTIALITY REQUEST <u>Required Form</u>	Exhibits	Applicant requesting confidentiality treatment.
Leg <u>Mic</u>	recommended that Applicant contact Michael Thibodeau, al Counsel, at 515-452-0436 or <u>hael.Thibodeau@iowafinance.com</u> prior to submitting a fidentiality request.		
DEN • F V	ALIFIED CENSUS TRACT ("QCT") / DIFFICULT TO /ELOPMENT AREA ("DDA") MAP Provide a current map generated from the HUD GIS Vebsite showing the entire Project is currently located in a QCT or DDA.	Project Name and Location, Buildings & Costs and Credit Calc.	If applicable
•	BLIC HOUSING AUTHORITY "PHA" PROJECT-BASED UCHER DOCUMENTATION Provide Letter from PHA confirming the number of project-based vouchers committed to the Project.	Project Description	If applicable
	MMUNITY SERVICE FACILITY Required Form	Project Description, Buildings & Costs and Credit Calc.	If applicable
19T – 20T RES	SERVED		

21T	GROSS RENT FLOOR ELECTION FOR THE DATE OTHER	Project Description	If applicable
	THAN DATE OF IFA'S SECTION 42M LETTER		
	IFA Required Form		
	• Enter election on the Project Description Tab if the Owner is electing the Placed-in-Service date to establish the Gross Rent Floor and upload the Exhibit. Exhibit 21T shall be uploaded to the Exhibits Tab before first building is placed in service.		
1B	SITE CONTROL DOCUMENTATION	Site Control,	All Projects
	 Provide executed documents showing the site control requirements set forth in the QAP have been met. Site control document must include only the acreage necessary for the proposed Project. 	Ownership Entity, Qualified Development Team, Buildings & Costs and Credit Calc.	
2B	APPRAISAL OR IFA APPROVAL OF WAIVER	Project	If applicable
	 For land and buildings acquired from a party with an Identity of Interest. 	Description, Site Control, Qualified Development Team & Costs and	
	 Acquisition/Rehabilitation Projects requesting acquisition credits. 	Credit Calc.	
3B	COLOR PHOTOS OF PROJECT & ADJACENT PROPERTY	Project Name and Location, Buildings	All Projects
	New Construction Projects	& Site Description	
	 Eight photos for each site location. Looking toward the center of each site from the North, South, East & West. 		
	 Looking out from the center of each site toward the North, South, East & West. 		
	Adaptive Reuse, Acq/Rehab, Rehab Projects		
	 Photos looking at each building from the North, South, East, and West. Four of the overall site looking in from each cardinal 		
	direction.		
4B	MAPS – CITY MAP AND PLAT MAP (BOTH ARE REQUIRED)	Project Name and Location, Buildings & Site Description	All Projects
	 Legible recent official city map pinpointing the site location(s) that shows the legal address of the property, the names of surrounding streets, and any other 		
	information important for the site inspection; or recent aerial map, if available.		

5B	SITE PLANS	Site Description,	All Projects
	 Shall clearly show the following: Location and extent of all work proposed in the Application. Site dimensions Site zoning Accessible site routes Accessible Unit types Easements and setbacks Show total number of parking and type of parking (surface, garages, underground) List city requirements. Planting, utility & general notes Show all buildings (including manager's Units & accessory buildings) Provide gross square footage of buildings. 	Project Amenities, Site Control & Costs and Credit Calc., Buildings	
6B's	DETRIMENTAL SITE CHARACTERISTICS REMEDIATION DOCUMENTS If the site or adjoining sites contain any detrimental site characteristics, provide the following: 6B a: Remediation Plan 6B b: Budget to make site suitable 6b c: Map showing detrimental characteristics on site plan	Site Description & Costs and Credit Calc.	If applicable
7B	 POLITICAL JURISDICTION CERTIFICATION IFA Required Form Generate on the Exhibits Tab after the Project Name & Location, Ownership Entity, Site Description, Site Control, Qualified Development Team, and Buildings Tabs have been completed. Form and site plan shall be sent to the city to be completed and signed by an authorized city official. Applicant shall not accomplete on any part of Part P of this form 	Project Name and Location, Buildings, Site Control, Site Description & Qualified Development Team	All Projects
8B	 not complete any part of Part B of this form. BUILDING PLANS Shall show all proposed work at a minimum schematic design level of completion. Show elevations. Label the use of all rooms in the building (i.e., computer learning center, manager's Unit, manager's office, library, media center room, craft room, maintenance room, dining room, fitness center, laundry room, beauty salon/barber room, etc.) Label the net square footage of each unit, each room and closet in the unit, and all common areas or other rooms in the building including any commercial space. Show Accessible routes through the building, units and turnaround spaces and clear floor spaces. Provide a unit plan of each unit type. 	Project Description, Buildings, Site Description, Project Amenities & Costs and Credit Calc.	All Projects

	 Tabulate on the plans all units by type and provide the total number of Units. Label all rooms in the Units (i.e., bedroom, bathroom, kitchen, living room, closets, etc.) Label the net square footage of each Unit and each room in the unit and common areas, and any commercial space. Show gross square footage of each building. 		
9В	 CAPITAL NEEDS ASSESSMENT Must be prepared by a third-party that regularly provides CNA's as a basic or core service and shall assess the rehabilitation needs of each existing structure. 	Exhibits	Acq/Rehab, Rehab Projects
10B RE	SERVED		
11B	FEMA MAP	Exhibits	All Projects
	Flood Zone - FEMA FIRMette map of each siteLink: How to Find Your FIRM and Make a FIRMette		



APPENDIX C - QUALIFIED CENSUS TRACTS (QCTS), DIFFICULT DEVELOPMENT AREAS(DDAS) EFFECTIVE 1-1-2025

SECTION 1 – QCTs and DDAs

A. METROPOLITAN QUALIFIED CENSUS TRACTS

Ames MSA

<u>Story County</u> 5.00, 7.00, 10.00, 11.01, 13.04

Cedar Rapids MSA

Linn County 2.13, 10.05, 13.00, 18.00, 19.00, 24.00, 27.00

Council Bluffs MSA

Pottawattamie County 304.01, 305.02, 306.02, 307.00, 309.00, 313.00

Davenport MSA

<u>Scott County</u> 106.00, 107.00, 108.00, 109.00, 110.00, 113.00, 114.00, 125.01, 126.02 Des Moines-West Des Moines MSA Dallas County 504.00

Polk County 1.01, 3.00, 4.00, 5.00, 7.01, 8.03, 11.00, 12.00, 17.00, 21.00, 26.00, 27.00, 29.00, 39.01, 42.00, 44.00, 45.02, 46.02, 47.01, 47.02, 48.00, 49.00, 50.00, 52.00, 108.06, 110.01, 111.11

Warren County 209.00, 210.00

Dubuque MSA Dubuque County 1.00, 3.00, 5.00, 7.01, 12.02

B. NON-METROPOLITAN QUALIFIED CENSUS TRACTS

Appanoose County 9503.00, 9504.00

Cass County 1905.00

Clinton County 1.00

Des Moines County 3.00, 4.00

Fayette County 804.00, 805.00

Jackson County 9506.00

Jefferson County 903.02

Lee County 4908.00, 4909.00

Mahaska County 9507.00

Marshall County 9505.00 Muscatine County 510.00

Iowa City MSA

Johnson County

Sioux City MSA

Woodbury County

Black Hawk County

Bremer County

40.00

1.00, 3.00, 7.00, 8.00,

9.00, 16.00, 17.01, 17.02, 18.00, 23.03, 23.04

2.00, 4.01, 5.02, 6.00, 11.00,

16.01, 16.02, 21.00, 23.00

8.00, 13.00, 15.00, 36.00

Waterloo-Cedar Falls MSA

Page County 4902.00

Poweshiek County 3704.00

<u>Wapello County</u> 9602.00, 9605.00, 9606.00, 9610.00

Webster County 3.00, 7.00

C. DIFFICULT DEVELOPMENT AREAS (DDAs)
None

Data Citation: Section 1, HUD Office of Policy Development and Research (PD&R), 2025 Qualified Census Tracts and Difficult Development Area datasets accessed 09/09/2024, https://www.huduser.gov/portal/datasets/qct.html



APPENDIX O

IOWA FINANCE AUTHORITY'S MARKET STUDY REQUIREMENTS

Applicants must commission their own Project market studies and the Applicant is responsible for confirming the market study requirements are met. The deadline to submit the market study is the same as the tax credit application deadline.

General

The market study shall:

- Be in conformance with IFA requirements.
- Be prepared by a third-party Market Study Firm in good standing with National Council of Housing Market Analysts (NCHMA).
- Provide a full-narrative Market Study Report effective within 6 months of application submission.
- An update of the market study can be accepted if the effective date of the original market study is within 12 months of application submission. The proposed site is required to be reinspected within 6 months of application submission. Comparable data used in rent determination and the rent comparability grid is to be updated within 6 months of application submission.
- Acknowledge the study is being completed for IFA's use and benefit.
- 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.
- Contain a Cover Sheet with Iowa Specific Requirements (see sample at the end of this appendix)

The market study provider:

- Understands they may contact IFA if any change to these requirements is required based on specific market conditions. Any changes must be approved by the Tax Credit Director prior to the study being submitted to IFA. Please submit market study questions to housingtaxcredits@iowafinance.com.
- Understands IFA has the right to contact them when reviewing the market study but is not obligated to do so.
- Shall provide the Market Study Report in a searchable PDF format.
- Shall travel to and physically inspect a proposed site and market area.
- Shall only use photographs taken by the analyst during the site inspection.

Primary Market Area (PMA)

The PMA shall be the *smallest geographic area* from which the subject development will compete with similar properties to draw most of its residents. It implies that households within the PMA would be willing to move to, or shop for, housing located therein, and that rents, amenities and

other aspects of housing would be similar. PMA boundaries shall be created by census tracts, school districts, jurisdictions, street names, or other geography forming the boundaries. A map of the primary market area and description shall be included. IFA will not accept radii primary market areas.

For proposed PMA's larger than 25,000 households, the market analyst is required to receive IFA approval prior to application submission.

Age Restricted Units

All age restricted projects shall use the 55+ or 62+ exemption. If the age restriction in the application conflicts with a Federally subsidized program, the more restrictive age requirement shall be used to evaluate the market.

No units in the age restricted units shall have more than 2 bedrooms.

Substandard Housing Conditions

NCHMA Market Study Terminology Definition for "substandard housing conditions" is required to be used in the market study. Housing conditions that are conventionally considered unacceptable may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

Income

Market studies shall use the HUD 2024 MTSP Rent & Income Limits. Section 8 poverty guidelines calculations will not be accepted.

Rent Comparability Grid

Estimated market rent shall be determined for each bedroom type using the HUD Form 92273-S8 Rent Comparability Grid. The following explanations are to be included, as well:

- Why and how each adjustment line item was made.
- How estimated market rent was derived from adjusted rents.
 - If the estimated market rent is higher than any comparable rents in the PMA a narrative is required on how that amount is achievable.
- How this analysis was used for a similar unit type and project type (senior vs. multi-family).

Comparable and Rent Analysis

All comparable projects used for the rent determination and rent comparability grid must be in the PMA.

All LIHTC projects located in the PMA must be identified and considered in the market study analysis. If a market study provider does not want to use a LIHTC property located in the PMA as a comparable property, the analyst shall explain to IFA's satisfaction why the project was not surveyed or considered in the analysis. When a survey is done, if LIHTC properties have not been responsive, the market analyst may notify IFA via email at <u>housingtaxcredits@iowafinance.com</u>.

Rent Advantage

IFA requires a rent advantage for proposed rents of at least 10 percent discount from the estimated market rents. If rent advantage is over 30 percent discount a narrative is required on why higher

rents are not recommended by the analyst since achievable. The request for a rent advantage must:

- Quantify and discuss the market advantage of the proposed rents per bedroom size.
- Include a table that presents proposed rents by bedroom size.
- Estimate achievable market rent.
- Use the ratio of proposed rent to estimated achievable market rent.
- Discuss the feasibility of the proposed rent levels per bedroom size and whether the proposed rent level is achievable.
- If LIHTC rents are not achievable based on the existing market conditions, recommend alternate rents or justify why future market conditions will make the proposed rent favorable.

Rent Burden

The market analyst shall use a rent burden of 30 percent of a household's monthly income for demand and capture rate calculations.

Capture Rate – AMI and Bedroom Size

Calculate the capture rate for each income level (market rate, 80%, 60%, 40%, 30%, etc.) proposed as well as an overall capture rate.

The capture rate is the total number of project units divided by the total income and size qualified renter households in the PMA.

If the overall capture rate exceeds 10% for new construction and adaptive reuse projects, the market analyst shall provide an explanation and justification to be reviewed and accepted by IFA. If an individual bedroom capture rate exceeds 25%, the analyst shall provide a narrative in the report that justifies why the unit mix is feasible, and/or provide project recommendations to lower the capture rates. The capture rate shall consider only qualified households in the PMA.

Penetration Rate

Provide a statement of penetration rate that considers all income qualified households and all income restricted units (not just LIHTC units) in the PMA only.

Absorption Rate

Determine the amount of time that is expected to achieve stabilized occupancy of 93% at the proposed development. If the projected absorption rate is greater than 12 months, the analyst should provide recommendations for adjustments necessary to attain stabilized occupancy with 12 months (number of units, unit mix, AMI levels, rents, etc.).

Special Housing Need

If the proposed project specifies a special housing need, including but not limited to transitional housing, permanent supportive housing, or a specific population (artist, veteran, literary activities) then the specified rental population shall be analyzed to determine if it can be sustained and is suitable for the proposed project.

Community Service Facility

If a community service facility is proposed, the market study must:

- Describe the proposed community service facility and how it can serve individuals whose income is 60% or less of the area median income located in a qualified census tract determined by HUD.
- Analyze how the community service facility will improve the quality of life for the residents and improve quality of life for individuals in the community.
- Demonstrate the facility is located within the proposed tax credit property and contains appropriate access for residents and individuals from the community.
- Determine there would be a demand for services and the services would be affordable to people with income at 60% or below.

Sample Cover Sheet for Iowa Specific Requirements

Date of last inspection and who inspected:

Number of Households in the PMA:

Absorption Period to reach an overall stabilization of 93% occupancy:

Overall Capture Rate in the PMA:

Rent Advantage Percentages (for each unit type):

# of Bedrooms	AMI %	LIHTC Proposed Rent Amount	Estimated Market Rent	Rent Advantage Percentage