



## Virginia Housing Development Authority

601 South Belvidere St  
Richmond, VA 23220-6500

877-VHDA-123 | [vhda.com](http://vhda.com)



Virginia Housing Development Authority



**Our Mission is to help low and moderate-income Virginians attain quality, affordable housing.**

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Today's PowerPoint presentation  
will be posted to our website,  
[VHDA.com](http://VHDA.com)

(after workshops have been  
completed)



# First we'll discuss...

1. 2012 QAP
2. Available Credits/Pools
3. Rules of Ranking
4. Points (Scoring Items)
5. Parameters

# 2012 QAP

- LHA Pool increased to 15%, \$750,000 credit limit removed
- LHA credit limitation removed
- LHA-sponsored developments compete in LHA Pool only

# 2012 QAP

- Deleted: Non-competitive Preservation Pool
- Added: New Construction Pool
  - limited to Planning District 8 localities
  - 15% of the following year's credits

# 2012 QAP

- Executive Director can add credits to any pool to fully fund the next development
  - will be from following year's per capita credit amount

# 2012 QAP

- Deleted: requirement for UDA and ADU designations; new construction in dev. Areas = 20 points
- Deleted: 10-points for 1.5 and 2 baths; now a *Minimum Design & Construction* requirement for 2BR and 3BR, respectively (new construction)

# 2012 QAP

- Reduced points for WaterSense faucets and showerheads; now 2 points
- Added: 2-point amenity category for WaterSense labeled toilets
- Added: 2-point amenity category for EPA EnergyStar bath vents

# 2012 QAP

- Expanded: 5-point EnergyStar hot water heater category; now can include:

- centralized commercial system (95% efficiency)

**OR**

- solar system (60% of total hot water needs)

# 2012 QAP

- Added: 5-point amenity category for **new installation** of continuous R-3 or higher wall sheathing
- Added: 4-point (prevention) or 2-point (suppression) amenity category if all cooking surfaces have fire prevention/suppression features

# Credit Pools



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# 2012 Pool Percentages

Non-Profit	15.00%
LHA	15.00%
New Construction • 15% of the following year's credits	15.00%
Northern VA/Planning District 8 (Inner Wash.)	18.02%
Northwest/North Central VA	9.20%
Richmond	11.63%
Tidewater	17.00%
Balance of State	14.15%

# Pre-Allocations

## Non-Competitive Pool

Northern VA/Planning District 8 (Inner Wash.)	0
Northwest/North Central VA	335,933
Richmond	0
Tidewater	405,268
Balance of State	0

# 2012 Available Credits

- Per Capita Credits  
\$2.20 per person\*
- Previous Allocations:
- National Pool:
- 10% of 2013 Credits:
- Non-competitive pools:
- Estimated 2012 Credits:

	\$17,812,528
	(\$4,945,226)
	\$0
	\$1,781,252
	(\$ 741,201)
	<u>±</u> \$13,907,353

2012 Population Estimate 8,096,604

# Estimated Credit Amounts

Non-Profit	2,086,103
LHA	2,086,103
New Construction	2,671,879
Northern VA/Planning District 8 (Inner Wash.)	2,696,612
Northwest/North Central VA	1,041,707
Richmond	1,740,121
Tidewater	2,139,437
Balance of State	2,117,270

# Non-Profit Credit Pool

- Authorized to do business in Virginia
- Material participation in the project
- Substantially based or active in the community
- 100% share of general partnership or managing member interest if LLC
- Not controlled by for-profit
- Board and staff not involved as for-profits

# Non-Profit Credit Pool cont'd

- Not formed for purpose of Non-Profit Pool
- Not a joint venture unless 100% non-profit
- \$750,000 limit unless all Non-Profit Pool developments funded
- Non-Profit Questionnaire
  - submit supporting documents ONLY **upon request** by VHDA
  - LHAs not required to submit NP Questionnaire

# Non-Profit Credit Pool cont'd

## New in 2012!

- Each new construction or adaptive re-use development eligible for the New Construction Pool (PD8), that is not funded in this NP Credit Pool, will move to the New Construction Pool.
- All other developments not funded in this NP Credit Pool will move to their applicable geographic pool.

# Local Housing Authority (LHA) Credit Pool

- 100% Housing Authority ownership within the housing authority jurisdiction or is a HOPE VI development
- Local IDA may compete in pool if no LHA in the jurisdiction

## **New in 2012!**

- LHA Pool increased to 15%; no credit limit
- LHA-sponsored developments may only compete in the LHA pool

# Non-Competitive Credit Pool

## Persons with Disabilities

6% of Per Capita Total

- Apps accepted no earlier than June 15 and due no later than November 2, 2012
- At least 50% of the units provide:
  - ✓ Fully accessible housing for persons with disabilities
  - ✓ With incomes at/below 40% AMI **and**
  - ✓ Providing project-based rent subsidy

# Non-Competitive Credit Pool

## Persons with Disabilities cont'd

- VHDA **will not** complete processing of an Application until all required items are received
- Additional application fee required if application is re-submitted (updating development characteristics or correcting data resulting in a change in the credit amount)
- There is **no guarantee** enough credits will be available when any application meets requirements

# New Construction Pool

## New for 2012 and 2013

- Developments are funded with 15.00% of next year's Annual Credit authority
- New construction or adaptive re-use developments located in Alexandria, Arlington, Fairfax City, Fairfax County, Falls Church, Loudoun County, Manassas, Manassas Park and Prince William County, will compete in the New Construction Pool

# Rules of Ranking

- Developments qualifying to compete in the Non-profit pool, compete there first.
- Developments qualifying to compete in the New Construction Pool, compete there next; thereafter the application will compete in the Northern VA geographic pool.
- If not ranked high enough to receive credits in the NP Pool, developments then drop into the appropriate geographic pool
- Developments will not receive partial credits from any pool; those credits drop into the At-Large pool (except New Construction Pool)

# Rules of Ranking cont'd

- No more than 20% of credits in any pool will be allocated to an elderly development or 1 development per pool

**Exception:** existing subsidized elderly properties

- Once limit is reached, all elderly deals become “ineligible” and drop to bottom of the pool ranking, unless all non-elderly applications have been fully funded

# Rules of Ranking cont'd

- At-Large Pool: created for all applications not ranking high enough to be fully funded with credits in geographic pools - 2 tiers
  - **Tier 1** – Highest-ranking “eligible” developments not fully funded from the geographic pools
  - **Tier 2** - All other developments above threshold not funded

# Point Categories



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# Readiness

<b>Category</b>	<b>Points</b>
Plan of Development (N/A if receiving Developer Experience Points)	0 or 40
Proper Zoning Certification	0 or 40

# Housing Needs

Category	Points
Locality Notification Information form	0 or -50
Locality CEO letter ("No", "No Comment", "Yes")  <b>Deadline: 4/2/12</b>	0, 25 or 50
Located in Revitalization Area	0 or 30
Located in a QCT <u>and</u> Revitalization Area	0 or 5
Developments w/out Sec 8, project-based assistance and where leasing preference is given to PHA waiting list  • Points pro-rated if < 100% of the units has project-based assistance	0 or 10

# Housing Needs cont'd

Category	Points
Subsidized Funding Commitment <b>New in 2012!</b> Local subsidized funding will be for development costs only.	Up to 40
Existing Rural Dev., HUD, Sec. 8 or 236	0 or 20
Tax abatement or new project-based HUD or RD rental subsidy (> of 5 units or 10%)	0 or 10
Located in Census Tract < 10% poverty rate <u>and</u> no other Tax Credit properties	0 or 25
Rural Dev. – “High Priority Rehab” list	0 or 15

# Housing Needs cont'd

Category	Points
Located in an area with an increasing rent-burdened population	Up to 20
New construction located in an area with little or no increase in rent-burdened population	Up to -20

Above scoring categories to be removed if developments compete in At-Large Pool

# Unit Size, Public Transportation

Category	Points
Unit Size - refer to parameters	Up to 100
Located within ½ mile of an existing commuter rail, light rail or subway station or ¼ mile of an existing public bus stop	0 or 10
Meets the above qualifications <u>and</u> is competing in the Planning District 8 Pool	0 or 20

# EarthCraft/LEED, Universal Design

Category	Points
<p>EarthCraft or LEED Development Certification</p> <ul style="list-style-type: none"><li>• Architect of Record must have attended EarthCraft Multi-family Professional Training since 1/2008</li><li>• <b>next training 1/18/12</b></li></ul>	0, 15, 30 or 45
<p>Units meet VHDA's Universal Design Standards</p> <ul style="list-style-type: none"><li>• Elderly-all units</li><li>• Family % UD of total</li><li>• Architect of Record must have attended VHDA UD Symposium <b>since 1/1/06</b></li><li>• <b>next training 1/25/12</b></li></ul>	Up to 15

# Certified Property Management, # Units

Category	Points
VHDA Certified Property Management Company	0 or 25
<p data-bbox="164 621 975 671">&lt;100 Low-Income Housing Units</p> <ul data-bbox="164 692 1207 899" style="list-style-type: none"><li data-bbox="164 692 705 749">• =/&lt; 50 units, 20 pts</li><li data-bbox="164 763 1207 821">• 51-99 units - 0.4 pts for each above 50</li><li data-bbox="164 835 627 899">• 100 units = 0 pts</li></ul>	Up to 20

# Amenities

Category	Points
Sub-metered water expense (total capture – <b>NOT just hot water</b> )	0 or 5
WaterSense faucets & showerheads in baths	0 or 2
High-Speed Cable, DSL, Wireless Internet	0 or 1
Water Heater – Energy Star qualified  New in 2012! Now includes centralized commercial system <b>OR</b> solar system	0 or 5
Geothermal Heat Pump – every unit	0 or 5
Solar Electric System – 1 point for each 2% of the development's electric load	Up to 10

# Amenities cont'd

Category	Points
Brick walls - brick covering 30% or more of the exterior walls	Up to 20
<b>New!</b> WaterSense labeled toilets	0 or 2
<b>New!</b> EPA EnergyStar bath vents	0 or 2
<b>New!</b> New installation of continuous R-3 or greater rated wall sheathing	0 or 5
<b>New!</b> Cooking surfaces equipped with fire prevention (4 points) or suppression (2 points) features	0, 2 or 4

# Amenities cont'd

Category	Points
Front-Control Ranges	0 or 1
Emergency Call System	0 or 3
Supplemental Heat in Bath	0 or 1
Two Eye Viewers	0 or 1

If points rcvd for these 4 amenities, they must be present in 100% of units

# Accessibility

Submit a project-specific marketing plan!

**New in 2012!** Plan must state that the development will be listed on [virginiahousingsearch.com](http://virginiahousingsearch.com).

Category	Points
Project subsidies w/HUD 504 rules & marketing (>5 units or 10% of units) <b>or</b> Must incl roll-in showers for 50 points	0 or 50
HCV rent standard w/HUD 504 rules & marketing (>5 units or 10% of units) <b>or</b>	0 or 30
HUD 504 rules for 4% of units & marketing	0 or 15

\*These Points available for Elderly Rehab

# Accessibility cont'd

- Follow fully/permanently accessible Uniform Federal Accessibility Standards (UFAS) **and** specifics for point category
- Hold vacant 60 days (retroactive for all deals receiving these points)
- Document marketing efforts to find household with qualified disability; submit that evidence to VHDA Program Compliance Officer
- Then may accept applicant agreeing to a lease provision to move to another vacant unit if/when a qualified household is found (move to be paid for by owner)
- Click here to access [UFAS Requirements](#)

# Tenant Population

Category	Points
No more than 20% of units are Efficiency units	0 or 15
0.75 points for each % of low-income units in the development with three or more bedrooms	Up to 15

# Sponsor

Category	Points
3 developments w/ 3x proposed # units or 6 developments or 1 development w/ 1x proposed # units <b>NOTE:</b> as controlling GP/managing member	0 or 50  0 or 10
Uncorrected major health/safety violation or life threatening hazard (for 3 years after <u>correction</u> )	0 or <b>-50</b>
VHDA training or Uncorrected 8823 filed (for 3 years after filing year)/out of compliance with EUA (for 3 years after expiration of cure period)	0 or <b>-15</b>

# Sponsor cont'd

Category	Points
Not built as represented (for 3 years after last 8609 issued)	-2x pts per category
Failure to provide required design item (for 3 years after last 8609 issued)	0 or -20
Termination of credits by VHDA (for 3 yrs after return)	0 or -10
Unsatisfactory Management Company	0 or -25

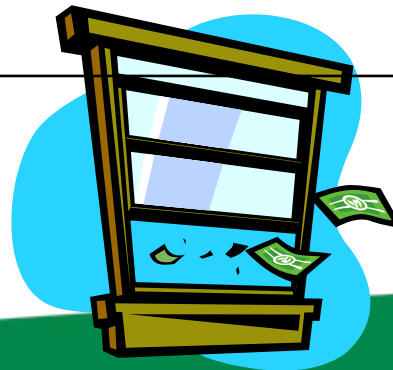


# Bonus Points cont'd

Category	Points
Extended compliance (25 or 35 extra yrs)  or	40 or 50
Sale to Non-profit or LHA	0 or 60
Non-profit or LHA homeownership option	0 or 5
<b>NOTE:</b> N/A if receiving extended compliance points	

# Efficient Use of Resources

Category	Points
Credit per unit - Refer to Sample Calculations & Efficient Use of Resources Parameters <b>NOTE:</b> possible to score <b>negative</b> points	Up to 180
Cost per unit - Refer to Sample Calculations & Efficient Use of Resources Parameters	Up to 75



# Minimum Threshold Score

☐ 9% = 500

☐ 4% = 475

# Application Parameters



Virginia Housing Development Authority



# Developer Fee

Lesser of...

## Acquisition:

$\leq 10\%$  of building's eligible basis or 8% if  
RD; **plus**

## Rehabilitation:

$\leq 25\%$  of rehab's eligible basis; **or**

## New Construction:

$\leq 20\%$  of building's eligible basis

# Developer Fee cont'd

- ◆  $\leq 15\%$  of Total Development Costs
- ◆ Related Contractor - Total Development Costs times 18%, less Contractor overhead & profit
- ◆ Related Architect - Total Development Costs times 16.5%, less all Architectural & Engineering fees
- ◆ Related Contractor & Architect - Total Development Costs times 19.5%, less Contractor overhead & profit and all Architectural & Engineering fees

# Application Parameters

## Additional Developer Fee

Cumulative declining scale...

- 15% if < \$1 million in total development costs; **plus**
- 12% if \$1 – \$10 million = 12%; **plus**
- 8% if > \$10 million = 8%

# Application Parameters

- Contractor's General Requirements, Overhead, and Profit:  $\leq 14\%$
- Unit Cost: Adjusted HUD 221(d)(3) Limits

# Application Parameters

## Operating Pro Forma

- Pro forma Rent Increases:  $\leq 2\%$  per year.
- Pro forma Operating Expenses Increase:  $\geq 3\%$
- Vacancy:  $> 7\%$  of Gross Potential Income or market
- Replacement Reserves  $\geq$  \$250 per unit for New Const. Elderly; \$300 for all others
- Operating Expenses:  $\geq$  \$3,800 per unit (excluding Replacement Reserve)

# Application Parameters

## Equity, Applicable Percentage

- ◆ Tax Credit Equity Factor:
  - 👍 use reasonable estimate for the proposed development
- ◆ Applicable Tax Credit Percentages:
  - 👍 4% - use March 2012 percentage
- ◆ New construction or adaptive reuse located in a QCT or DDA, use March 2012 percentage
  - 👍 9.0% all other

# 10-minute Break



# Next we'll discuss...

1. Registering to be a VHDA Business Partner
2. Locality Notification Information
3. Market Studies
4. Appraisals
5. Experienced LIHTC Developer list
6. Often Misunderstood: Previous Participation Certification
7. Often Misunderstood: Tab T vs. Tab Q

# Becoming a VHDA Business Partner

- Allows access to LIHTC applications
- Allows access to LNI information form



# Access registration page via VHDA.com

**Low-Income Housing Tax Credit Program - Microsoft Internet Explorer provided by VHDA**

http://www.vhda.com/BusinessPartners/MFDevelopers/LIHTCProgram/Pages/LIHTCProgram.aspx

File Edit View Favorites Tools Help x Convert Select

Low-Income Housing Tax Credit Pr...

**About Us Our Programs Homebuyers Homeowners Renters Business Partners** Search

**VHDA**

**HOMEBUYER LOAN RATES**

Fixed Rate	4.500%	4.670% APR
FHA Plus	4.750%	4.922% APR
Homebuyer Tax Credit Plus First	4.750%	4.922% APR

VHDA > Business Partners > Multifamily Developers > Low-Income Housing Tax Credit Program [Español](#) | [Text Size: A- A+ | Print](#)

### Low-Income Housing Tax Credit Program

The federal Low-Income Housing Tax Credit (LIHTC) program is sponsored by the U.S. Treasury Department and authorized under Section 42 of the IRS Code of 1986. The program, administered in Virginia by VHDA, encourages the development of affordable rental housing by providing owners a federal income tax credit. It also provides incentive for private investors to participate in the construction and rehabilitation of housing for low-income families.

Read an in-depth review of the federal Section 42 LIHTC Program.

**Tax Credit Allocations**

2011 Web Update and How-to-Apply Workshops	12/30/2010
2011 QAP Blacklined - as approved by VHDA Board of Commissioners	10/13/2010
2011 Tax Credit Program Schedule	8/5/2010
2011 Tax Credit Manual	12/30/2010
2011 LIHTC Applications and Forms	12/30/2010
<a href="#">Registration to View Tax Credit Apps. or Access Locality Notification Info. Form</a>	12/10/2009
2010 How to Apply Workshop Presentation	4/20/2010
2010 Final Rankings	6/8/2010
Selection Process & Criteria for TCAP	9/1/2009
TCAP Federal Cross-cutting Requirements	9/1/2009

**EarthCraft House™ and LEED Information**

EarthCraft Multifamily Professional Training - Certificate Holder Listing	10/27/2010
EarthCraft House Multifamily Introduction	7/15/2009
EarthCraft Certification	6/9/2008

**Navigate**

- [LIHTC Program Updates and Announcements](#)
- [Multifamily Financing](#)
- [Low-Income Housing Tax Credit Program](#)
- [Multifamily Loan Application and Guides](#)
- [Participating Mortgage Bankers](#)
- [Multifamily Loan Servicing](#)
- [Multifamily For Sale Rental Properties](#)
- [Multifamily Developer FAQ](#)

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Multifamily Servicing Staff Directory

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http://www.vhda.com/BusinessPartners/MFDevelopers/LIHTCProgram/Pages/Tax-Credit-Applications-Registration.aspx

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Registration to View Tax Credit Apps. or Access LNI Form - Microsoft Internet Explorer provided by VHDA

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Address <http://www.vhda.com/BusinessPartners/MFDevelopers/LIHTCProgram/Pages/Tax-Credit-Applications-Registration.aspx>

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Fixed Rate	5.000%	5.175% APR
FHA Plus	5.250%	5.427% APR
Homebuyer Tax Credit Plus First	5.250%	5.427% APR

VHDA > Business Partners > Multifamily Developers > **Low-Income Housing Tax Credit Program** Español | Text Size: A- A A+ | Print

## Registration to View Tax Credit Apps. or Access LNI Form

If you have previously registered, then go directly to [www.vhda.org](http://www.vhda.org) and sign in with your user name and password.

**\* All fields are required**

* First Name:	<input type="text"/>
* Last Name:	<input type="text"/>
* Phone Number:	<input type="text"/>
* Email:	<input type="text"/>
* Company Name:	<input type="text"/>
* Address:	<input type="text"/>
* Zip Code:	<input type="text"/>
* Reason for Requesting Access:	<input type="text"/>
<input type="button" value="Send to VHDA for Processing"/>	

### Navigate

- [LIHTC Program Updates and Announcements](#)
- [Multifamily Financing](#)
- [Low-Income Housing Tax Credit Program](#)
- [Multifamily Loan Application and Guides](#)
- [Participating Mortgage Bankers](#)
- [Multifamily Loan Servicing](#)
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Done

Start | [Inbox - Microsoft Outlook](#) | [VHDA Docs](#) | [Microsoft PowerPoint - \[...\]](#) | [Registration to View ...](#) | 10:32 AM

# Business Partner Access

1. After selecting “Send to VHDA for Processing”, you will receive a confirmation e-mail with your login credentials
2. Go to <https://www.vhda.org/logon.asp>
3. Login using e-mail address and password credentials

# Forget your password?

## Step 1 of 2

Welcome to VHDA.org, Business Partner Extranet - Microsoft Internet Explorer provided by VHDA


https://www.vhda.org/logon.asp

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★ Favorites | ☆

Low-Income Housi... Welcome to VH... x

Page Safety Tools >>



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**Business Partner Services**  
www.vhda.org

Access is restricted to VHDA Business Partners.

User name

Password

Login

[Problems Logging On?](#)

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https://www.vhda.org/logon\_problems.asp

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# Forget your password?


## Step 2 of 2

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Address [https://www.vhda.org/logon\\_problems.asp](https://www.vhda.org/logon_problems.asp) Go Links SnagIt

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***Forgot Your Password ?***

To receive your password by email, enter your account's **e-mail** address and click the Get Password button.  
To display your password on your screen via a secure link, include your challenge **phrase**.

Enter your **Email Address**:  [ required ]

Challenge **phrase**: ( Optional )

Get Password

***Invalid User Name or Password ?***

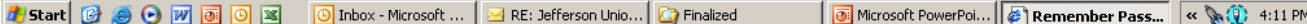
Please contact your VHDA administrator.

***Internet Explorer Version 6.0 or Above ?***

Ensure your Browser's Privacy Preferences are set to Medium. Click Tools on your menubar, choose Internet Options, choose Privacy, move slider to medium. [more...](#)

[Return to VHDA's Business Partner Services Logon Page](#)

Done Trusted sites

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# Locality Notification Information



- Required by IRS
- Web-based
- Collect info about the locality CEO and development from owner/developer
- Used (1) to prepare the Locality CEO Notice Letter, which (2) informs localities about and (3) allows localities to comment on prospective LIHTC developments
- Due January 27, 2012 at 2 p.m. (**except** NCD and TEB apps)
- 50-point **penalty** if received after deadline
- **Not compatible** with Mozilla/Firefox or Google Chrome

Welcome to eVHDA-the Virginia Housing Development Authority On-Line Extranet - Microsoft Internet Explorer provided by VHDA

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Address <https://www.vhda.org/menu.asp> Go Links SnagIt

### VHDA Home

December 22, 2009  
10:36 AM Eastern Time


**Welcome to Business Partner Services**

**Navigation**

- ExtraNet Home
- Applications
- Outlook Web Access
- Tax Credit Applications
- Locality Notification Information
- Application Registration
- Edit Profile
- Go To VHDA.com
- Contact Us
- Terms of Use
- Logoff

**User Menu**

To the left you will find links to the VHDA applications for which you are authorized. If you fail to see the application you require please contact us.



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*Equal Housing Opportunity*

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[https://www.vhda.org/Apps\\_dotnet/TaxCreditNotification\\_Transition/TCNTransition.aspx](https://www.vhda.org/Apps_dotnet/TaxCreditNotification_Transition/TCNTransition.aspx)

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# Market Studies



## New in 2012!

- VHDA + NCAHMA = minimum guidelines
  - Approved Analysts list
  - New ordering process
1. The developer/owner notifies VHDA of its selection for an analyst.
  2. The developer/owner confirms with the analyst that it can secure a contract with the analyst.
  3. The analyst confirms with VHDA (within 5 days) that it will accept the developer/owners request for assignment.

# Market Studies cont'd

New in 2012! VHDA + NCAHMA = minimum guidelines

- Must meet [VHDA Market Study Guidelines](#)
- Must be submitted in electronic format
- Must come directly from the applicant
- 6-12 months old will require an update letter from analyst;
- >12 months old, **NOT** accepted under any circumstances
- Used in conjunction with VHDA property data

# Appraisals

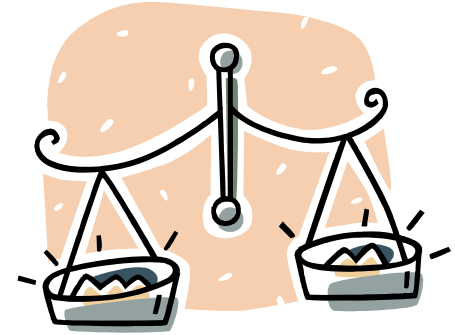
**New in 2012!** Required with all acquisition/rehab and adaptive reuse applications

- ◆ Must meet [VHDA Appraisal Requirements](#)
- ◆ Obtained independently by the applicant
- ◆ Submitted with the application
- ◆ VHDA at its discretion, may require an additional appraisal - VHDA will select appraiser (at owner's cost)
- ◆ VHDA will accept RD appraisals

# Appraisals cont'd

Values requested:

- Land
- "As-Is" Market value
- "As-Is" Restricted value
- "Prospective" – post construction & upon achieving stabilized occupancy



Land/building split ratio

# Experienced LIHTC Developer List

- List published December 2011
- Based on documentation submitted between 2007 and 2011
- If listed, no need to submit copies of 8609s; however, PPC (incl resume(s) and Sched A's) still required
- If qualified, but not listed, submit **no more than six** 8609s, wherein the person seeking to be listed served as Controlling General Partner in the development



# Often Misunderstood: **Previous Participation Certification**

- Inclusion on the Experienced LIHTC Developer list does not exclude you from completing PPC
- Only one PPC per applicant; BUT, multiple Schedule As
- Schedule A's for INDIVIDUALS, unless non-profit, (widely-held) corporation or LHA
- Supporting documentation for uncorrected 8823s ONLY
- **No more than** six (6) 8609s required
- Keep your color brochures



# Often Misunderstood: **Tab Q**

**Tab Q** (per App Checklist): Documentation  
of Rental Assistance

**RENTAL  
ASSISTANCE**



What should be included:

- Ex. RD/HUD HAP Contract

What **shouldn't** be included:

- Subsidized funding info

# Often Misunderstood: **Tab T**

**Tab T** (per App Checklist): Documentation of Financing Sources

What should be included:

**Key:** Subsidized Funding = \$ used to reduce dev costs

- Hope VI funds documentation
- Bank loan commitment
- Locality resolution



What **shouldn't** be included:

- Rental assistance documentation

# Next we'll discuss...

1. EarthCraft Development Certification
2. Energy Star
3. HVAC
4. Minimum Design & Construction Requirements
5. Construction Completion Notice
6. Brick

# EarthCraft or LEED Development Certification

- Architect of Record must have attended EarthCraft Professional Training to receive EC or LEED points
- Owner must provide a signed acknowledgement that EarthCraft representative has met and discussed with the developer the certification & plans pertaining to the specific development

# EarthCraft or LEED

## Development Certification cont'd

- Submit Acknowledgement with the architect's certification as part of the Reservation Application
- If you check the box for EarthCraft in the application **but** do not provide the Acknowledgement, points will not be awarded
- Must obtain certification at end of construction/rehab before Forms 8609 can be issued
- Next Training: 1/18/12 at VHC

# Energy Star Appliances

- Kitchen appliances include vented range hoods (not re-circulating!)
- Ensure availability of Energy Star qualified appliance before submitting Application!
- Ensure listing on website at the time of order, [Energy Star Appliances](#)(must document)
  - guidelines change
  - advertising may be wrong

# Energy Star Water Heaters

Click here for list of [qualified water heaters](#)



# HVAC

1. HVAC - combination rating must equal or exceed 15 SEER **and**
2. HSPF 8.5 minimum



**\* Through any combination of equipment \***

# Minimum Design & Construction Requirements

- 2012 [Minimum Design & Construction Requirements](#) and [Cabinet Specifications](#)
- **New in 2012!** New Construction and adaptive reuse developments = 1.5BA for 2BRs and 2BA for 3BRs
- Pre-construction meeting
- Review amenity point items and Design & Construction Requirements
- Notify TC Allocation Department when construction begins
- On-site, ongoing inspections



# Construction Completion Notice

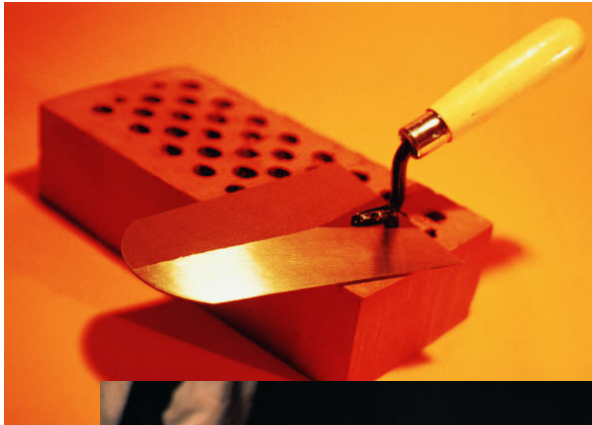


- Due to TC Allocation Dept within 30 days of last residential building PIS
  - NC - copy of Certificate of Occupancy for each building
  - Rehab - Certificate of Substantial Completion from the architect
- Penalty: \$100 per day for each calendar day after the deadline (maximum of \$7,500 + interest monthly thereafter)

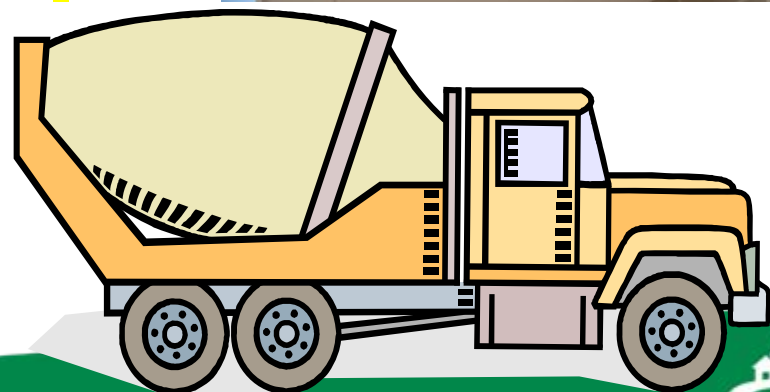
# What is "brick"?

Molded rectangular block of clay baked by the sun or in a kiln until hard and used as a building and paving material

"Brick"



"Not Brick"



# Next we'll discuss...

## 1. Application for Reservation

- deadline
- process
- mandatory documents

## 2. Application for Allocation

# Application for Reservation



Microsoft Excel Office 2010 document



# Reservation Application Deadline & Fees

- ◆ Application is due in VHDA's office on or before March 16, 2012 by 2:00pm
  - Strict deadline! No exceptions!
- ◆ Reservation Fee = 7% of total annual credit amount
- ◆ Fee is due w/Reservation Agreement, **EXCEPT** LHA or Non-Profit Pool recipients
- ◆ Fee from LHA and Non-Profit Pool recipients is due by November 2, 2012

# Application Process

- Applicants must submit application and all supporting documentation in electronic format only on CD(s)
- **Do not** submit flash drives
- **Do not** submit any application materials to personal email addresses
- Use VHDA-provided tab [divider pages](#)

# Mandatory Documents

The following 5 files should be on **one or more** CDs and include the following:

1. Application for Reservation – **active Microsoft Excel workbook**
2. Application for Reservation, PDF of **signed** copy of the application, includes self-score sheet
  - Include all application attachments/tab documents
  - **DO NOT** include as part of scanned application, the market study or plans & specs (provide separately - see below)

# Mandatory Documents cont'd

3. Market Study – PDF format
4. Plans & Specs - PDF or other readable electronic format (may be combined into one file or separate files)\*
5. Unit-By-Unit work write up (rehab only) - PDF or other readable electronic format\*

**\*Be sure all minimum design & construction requirements are met!**

# Mandatory Documents cont'd

6. Application Fee: \$750.00
7. Executed partnership/operating agreement and an ownership structure chart showing individual principals
8. Certification from Virginia SCC
9. Resumés, Schedule A(s) and signed PPC
10. Evidence of Site Control
  - Extends at least 4 months past application deadline
  - In the name of Owner applying for credits
  - Most recent real estate tax assessment documentation

# Mandatory Documents cont'd

## 11. Relocation Assistance Guidelines

- Required for rehabs!
- Include at Tab G
- Can be found at VHDA.com

## 12. Attorney's Opinion

- Changes **ONLY** if absolutely necessary
- Submit blackline for approval before application is due; otherwise, 10-point penalty

## 13. Properly executed Architect's Certification

All developments must have an architect

# Late Mandatory Documents

- The market study may not be late; the application will be disqualified.
- Other than the Market Study, VHDA's Executive Director may permit an applicant to submit one or more of the mandatory items after the application deadline, however, a 10-point penalty per item will be assessed

# Applications Posted at VHDA.org

- Will be posted by 3/30/12
- Can view and print any application and attachments
- Plans, specs & market studies are **not posted**
- Must be registered as a VHDA Business Partner for access (refer to previous instructions)

# Reservation Documents Mailed

Mailed by VHDA in July, including:

- ◆ Reservation Letter
- ◆ Reservation Agreement
- ◆ Extended Use Agreement
- ◆ Contract to Enforce Representations
- ◆ Election to Fix Applicable Percent
- ◆ Notice of Appraisal Fee (if applicable)

Return docs by **stated deadline**

# Application for Allocation



Virginia Housing Development Authority



# Deadline and Fees

- ◆ Allocation Application is due in VHDA's office on or before **November 2, 2012 by 2:00pm**
- ◆ VHDA sends customized application using reservation application info
- ◆ \$500.00 penalty per calendar day for late submission
- ◆ \$50.00 fee to replace original docs (i.e., EUA)

# Docs to send with Allocation Application

- Site control documentation
- Extended Use Agreement
- Purchase Option/Right of First Refusal (Non-profit or LHA)
- Owner's Cost Certification
- Attorney's Opinion
- IRS EIN# assignment letter
- LOI from syndicator stating equity price

# Allocation Documents

## Regular Allocation

- ♦ Owner will receive Forms 8609 – if buildings placed in service same year as allocation

## Carryover Allocation

- ♦ Owner will receive Carryover Allocation if buildings **not** placed in service (ready for occupancy) by the year of allocation
- ♦ VHDA will mail mid-December
- ♦ Carryover Agreements due January 2013 (to VHDA)
- ♦ Meet 10% test no later than 12 months from Allocation Date, including submitting documentation!

# 10-minute Break



# Next we'll discuss...

1. Application for 8609
2. Tax-Exempt Bond Application
3. Reservation Application - demo

# Application for 8609



# 8609 Application Process

- ◆ Submit 8609 Application to Tax Credit Allocation Dept **within 6 months of the last building's placed-in-service date (or April 30 deadline)**
- ◆ Download the 8609 Application from VHDA's website
- ◆ Penalty for missing deadline



# Mandatory (Before VHDA Can Issue 8609s)

If Applicable ...

- EarthCraft or LEED Certification
- Universal Design Certification
- Certified Property Management Company – contract

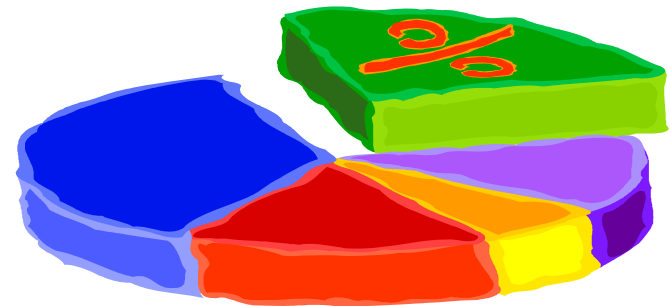


# Tax-Exempt Bond (TEB) Application, 4%



# Where does the \$ come from?

- ◆ Private Activity Bond Cap
- ◆  $\$95 \times 8,096,604$  (VA 2012 pop. est.) =  $\sim \$769,177,380$
- ◆ VHDA receives 43% ( $\sim \$330,700,000$ )



# Tax-Exempt Bond (TEB) Application Process

- Download Application and Forms
- Submit Locality Notification Information (LNI) using VHDA's on-line system
- VHDA mails locality notification letter to the locality
  - \* Locality CEO has 45 days to respond, so you are encouraged to submit LNI 30 days prior to submitting the App
- Submit App to VHDA no less than one month before VHDA bond pricing or 75 days before non-VHDA bond issuance

# TEB Application Process

## cont'd

- \$750 application fee
- Application must meet or exceed threshold score, 475 points
- Market studies are required (i.e. same as 9% deals)
- Appraisals are required for acqu./rehab and adaptive reuse developments

# TEB Application Process

## cont'd

- VHDA sends Reservation Fee letter (fee is 7% of the annual credit amount)
- After fee received, VHDA sends Section 42(m) letter, Extended Use Agreement and Election to Fix
- May lock in applicable percentage no later than 5 calendar days after the month the bonds were issued or at the placed in service date

# Reservation Application



## DEMO



# Tax Credit Schedule

# 2012 SCHEDULE

1/27/12	Locality Notification Information due – enter online
3/16/12	App for Reservation & Market Study due (w/\$750 fee)
by 3/30/12	Apps posted to web; view with Business Partner password
4/2/12	CEO Letter & Revitalization Certification due
5/15/12	Announce prelim. rankings; begin comment period
5/22/12	Close general comment period; begin rebuttal period
5/29/12	Close rebuttal comment period
6/6/12	Announce final rankings
Early to mid-July	VHDA sends Reservation documents to developers

# 2012 SCHEDULE cont'd

Mid to Late July	Signed Reservation docs, Reservation Fee
September	VHDA sends Allocation Apps to developers
11/2/12	App for Allocation due to VHDA
12/14/12	Finalize allocations – mail Carryover Allocation documents or issue Form(s) 8609 for regular allocation
1/2013	Carryover Agreements due to VHDA
10% Test–12 Months from <u>Allocation Date</u>	

Let's talk

# Cost Limits



- Jim Chandler 804-343-5786
- Cara Wallo 804-343-5714
- Dale Wittie 804-343-5876
- Jaynell Pittman-Shaw 804-343-5733
- Rebecca Rowe 804-343-5518