

Wisconsin Housing and
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Date: December 3, 2015

To: LIHTC Development Community

From: Commercial Lending Group

Re: Modification #3 of the 2015-2016 Qualified Allocation Plan
2016 High Impact Project Reserve

WHEDA will allocate the High Impact Project Reserve (HIPR) credits through the annual Competitive Low Income Housing Tax Credit round (deadline: January 29, 2016). WHEDA will reserve up to \$850,000 of LIHTCs to be available for a single HIPR award in this round.

The attached modification to the 2015-2016 Qualified Allocation Plan for the State of Wisconsin describes the threshold and scoring criteria that will be used to evaluate applications submitted in the 2016 HIPR round.

Questions may be directed to your WHEDA Commercial Loan Officer, or Sean O'Brien - Director, Commercial Lending.

Thank you for supporting Wisconsin affordable housing.

-WHEDA Commercial Lending Group



Modification #3
Low Income Housing Tax Credit 2015-16 Qualified Allocation Plan
for the State of Wisconsin

QAP Section II. A. 6. "High Impact Project Reserve" is deleted in its entirety and replaced with the text below.

High Impact Project Reserve. WHEDA will reserve up to \$850,000 of Low Income Housing Tax Credits to fund a single project which has "high impact" characteristics.

1. Threshold criteria - Emerging Business Program Participation
 - a. All HIPR applicants will be required to exceed the Emerging Business participation goal, and meet the Workforce Development goals below.
 - i. Emerging Business participation goals (based on percentages of allowable construction costs):
 1. 35%: Dane, Jefferson, Kenosha, Milwaukee, Ozaukee, Racine, Rock, Sheboygan, Walworth, Washington, or Waukesha counties
 2. 20%: Brown and Outagamie counties
 3. 15%: Dodge and Fond du Lac counties
 4. 10%: All other counties
 - ii. Workforce Development: 15 hires meeting WHEDA's Workforce Development program definitions, including one from each of the twelve (12) construction divisions of labor.
 - b. HIPR applicants should include a one page document addressing the items:
 - i. Explain the method(s) you are proposing to use to accomplish the goal of hiring Emerging Business firms.
 - ii. Explain the method(s) you are proposing to use to accomplish the goal of hiring local workers based on WHEDA's Workforce Development guidelines.
 - iii. Provide a summary of your Emerging Business and Workforce Development past performance on projects.
 - c. Applicants failing to provide acceptable responses to the three questions above will be rejected.
 - d. Further information about WHEDA's Emerging Business program can be found at <http://www.wheda.com/root/emergingbusiness/>.
2. Scoring criteria and documentation
 - a. Applicants shall describe how their proposed development will meet the HIPR scoring criteria below.
 - b. Responses to the scoring criteria below will be limited to a total of two pages. Responses may reference web sites for support.
 - c. Applicants may also submit up to five additional support letters
 - d. Scoring criteria. Up to 100 points will be awarded for each of the following items.
 - i. Has a clear, proximate link to area job growth, job training, employers, or a major employment center. The applicant will describe how the project will help create or support additional construction and/or permanent jobs.

- ii. Benefits from public financial support commitment(s) of at least 5% of the total development cost (evidence of financial commitments must be included with the HIPR application). Eligible financial support commitments include those directly from a unit of local government (city, village, town or county), local housing authority, community development authority or similar entity. Local financial support items include, but are not limited to TIF, waiver of impact fees, donation of land from a public entity, CDBG/HOME awards from a unit of local government. Historic Tax Credits and AHP awards will not qualify for points in this HIPR category. Points will be awarded based on the following table:

Local Financial Support (% of Development Budget)	Points
20% or more	100
18.0-19.9%	80
16.0-17.9%	70
14.0-15.9%	60
12.0-13.9%	50
10.0-11.9%	40
8.0-9.9%	30
5.0-7.9%	20

- iii. Is a key component of larger redevelopment plan and is identified as such in a letter from the local municipality. The letter and supporting materials will identify the broader economic development strategy to stimulate private investment, support anchor institutions, and expand emerging or small businesses
- iv. Is located in an area with few affordable housing options, will have an immediate high impact for potential residents, improve housing stock, or address foreclosures

In 2016, all HIPR applications must be submitted within the LIHTC round that closes on January 29th, 2016. Applicants wishing to be considered for the HIPR award must submit an additional \$250 application fee with their HIPR application materials (described above). To be eligible for a HIPR award, the LIHTC application score must be within 25 points of the scoring cut-off in the Set-Aside for that application. HIPR materials will not be reviewed for projects that did not pass threshold or projects that were successfully awarded credit through the competitive process.

HIPR awards will be based entirely on the score for the HIPR items (in past years, HIPR scores were combined with the LIHTC score). If no HIPR applicants receives 200 or more HIPR points, an award will not be made.

The award is expected to be made in late-April 2016.

HIPR Credit requests must not exceed \$850,000. If the HIPR award is less than \$850,000, the remaining credit will be returned to the 2016 credit pool.

Applications from any Set Aside (General, Rural, Nonprofit, etc.) are eligible for the HIPR award.

A HIPR award is subject to the limitation of awards under the QAP (two maximum from all categories per developer, unless the third award is for a Co-developer role).

WHEDA at its sole discretion may elect not to choose a HIPR project in 2016.

All other requirements of the 2015-2016 Qualified Allocation Plan for the State of Wisconsin not addressed in this modification will remain intact.