2023 Housing Tax Credit Program

Qualified Allocation Plan FAQs and Guidance

Updated: February 2, 2023 (*Revisions made 2/2/23 are not applicable to 2023 competitive application cycle)*

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1. **Credit Amounts**

   A. Within the 9% Federal Housing Tax Credit program, the Housing Tax Credit limit will be $1,400,000 per application in the General, Nonprofit, Rural, and Supportive Housing Set-Asides. In the Preservation Set-Aside, the Housing Tax Credit limit will be $1,000,000 per application.

   B. Within the State Housing Tax Credit program, awards are limited to no more than $1,200,000 of State Housing Tax Credits per application.

   C. No more than two total awards of credit will be allocated to a single developer (serving as Lead or Co-Developer)
   - Awards may be in any combination of 9% or State HTC.
   - No more than one award may be made to a single developer within each Set-Aside

   D. Approximately $15.3 million of Federal 9% Housing Tax Credits will be made available.

   E. Approximately $7 million of State Housing Tax Credits will be made available.

2. **Application Process**

   A. Application materials and deadline
   - A complete application for Housing Tax Credits must contain the following items:
     - Completed Multifamily Application (MFA) Workbook submitted in excel form.
     - Electronic copies of all required Threshold Materials and Scoring Materials as defined in the Threshold and Scoring Checklists located within the MFA and a fully executed copy of the WHEDA Loan Signature Page.
     - A flash drive containing a duplicate record of all application materials.
     - Tax Credit Application Fee. Payment by Wire/ACH preferred or by check if received or postmarked by the application deadline.
     - Paper copies of application materials are not required.

   B. Application submission
   - A complete application is to be submitted to WHEDA using the file transfer system Procorem. Each application must separately request a Procorem WorkCenter using the Procorem

Workcenter Access Form. More information about Procorem can be found in the FAQ Document posted to WHEDA's website.

- The flash drive and application fee must be received by WHEDA or postmarked by the application deadline. Additional details for material delivery are included in the Procorem WorkCenter Access Form.

C. Application File Organization & Naming Conventions

- Documents should be ordered and named to correspond with the numbers and document titles in the Threshold and Self-Scoring checklists included in the MFA Workbook. See example below for formatting.
  - Document names should also include the Tax Credit Number (can be found in the name of the Procorem Workcenter once created) and Project Name.
- Each numbered item on the checklist should be submitted as a standalone file (not combined with other application materials).
- If a checklist item does not apply to the application it should be marked as "N/A" in the completed checklist. It is not necessary to include a document to correspond to that item unless explanation of inapplicability is necessary.

  Example:

  1 – #0000 – PROJECT NAME – TAX CREDIT APPLICATION FEE

  2 – #0000 – PROJECT NAME – APPLICATION CHECKLIST

3. Underwriting

A. All Applications

- **Operating expenses:** Projects must be submitted with the operating expenses within the defined ranges outlined in Tab 16, Financial Feasibility, based on project type.
  - If a project will contain a mix of unit types the budget may use a weighted average approach. Include a description of the calculation of the average.
  - Acquisition/rehab projects and Tribal projects will be permitted to request a variance on the posted ranges. Requests must be supported by submission of the last three years revenue and expenses statements. Requests are subject to approval at WHEDA's discretion.
- **DCR:** If a project has a declining DCR it may be permitted to exceed the maximum DCR only to the extent necessary to maintain the minimum required.

B. 9% Applications

- **Rates:** 9% applications should use the rate and terms for WHEDA's Tax Credit Development Financing – Permanent Financing for 9% HTC Projects posted to WHEDA's Financing and Term Sheets webpage **as of the date the Housing Tax Credit application cycle opens** (November 18, 2022), listed below. Any changes in published rates after this date should not be used for purposes of 2023 competitive HTC applications.
  - **9% financing terms:**

        - **Permanent loan:** 6.65%, 35 year term and amortization
        - **Construction loan:** 6.89%, interest only, term of 12-24 months
    - Applicants may use other terms (lower interest rate, longer amortization, etc.) if a term-specific, executed financing commitment accompanies the application.
- **DCR:** 9% project should have a DCR between 1.175 - 1.40 in year one and maintain a DCR between 1.15 – 1.40 in years 2-15.
- **No WHEDA subordinate loans may be included except projects eligible for Housing Trust Funds as defined below**
- **Average Income Test:** Applications in the Rural Set-Aside only may elect the Income Averaging minimum set-aside. Such projects must be 100% low-income without any market rate units included. Rents on low-income units above 60% of CMI may not exceed 60% CMI Housing Tax Credit rents at the time of application.

C. State/4% Applications

- **Rates**: State/4% applications should use the rate and terms for WHEDA's Tax-Exempt Bond Financing posted to WHEDA's Financing and Term Sheets webpage **as of the date the Housing Tax Credit application cycle opens** (November 18, 2022), listed below. Any changes in published rates after this date should not be used for purposes of 2023 competitive HTC applications.
    - **4% financing terms:**
        - **Long-Term Tax-Exempt Financing (permanent financing):** ~~6.75%,~~ 6.45%, 35 year term and amortization
        - **Short-Term Tax-Exempt Financing (construction financing):** ~~6.05%,~~ 5.40% interest only, term of 12-24 months
    - Applicants may use other terms (lower interest rate, longer amortization, etc.) if a term-specific, executed financing commitment accompanies the application.
- **DCR:** Applications will be required to maintain a Debt Coverage Ratio of 1.15 to 1.40 during years 1 – 15.
- **Average Income Test**
    - State/4% Applications in any Set-Aside (General, Small Urban or Rural) may elect the Income Averaging minimum set-aside
    - Applications electing the Income Averaging option must be 100% low-income. Properties with market rate units will be required to select the 20% @ 50% CMI or 40% at 60% CMI set-aside option.
    - Low Income units at or above 60% of CMI may not exceed 95% of the LIHTC rent limit, and may not exceed 90% of estimated market rents (as listed in the market study)
    - WHEDA requires that there be a reasonable distribution of unit sizes/bedroom sizes throughout the different CMI bands in the proposed income averaged unit mix

4. Subordinate financing

A. WHEDA Balance Sheet Funding

- WHEDA intends to make subordinate financing available for 2023 4% State Housing Tax Credit applications. Applications requesting subordinate financing must meet the following requirements:

- Repayment from available cash flow from operations
- WHEDA expects to receive repayment, so the loan amounts below may be reduced subject to financial feasibility, DCR, and other relevant financial metrics
- Subordinate loans will not be provided for properties with Locally-Issued or noncredit enhanced privately-placed tax-exempt bonds
- Subordinate loans may not be requested for 9% Applications
- If Subordinate Financing is requested, no less than 50% of the developer fee must be deferred.

- Loan Sizing
  - Projects in areas that meet 2023-2024 QAP Rural Set-Aside requirements may request $1 of subordinate loan proceeds for $6 of permanent tax-exempt bond debt
  - Projects in all other areas in the State may request $1 of subordinate loan proceeds for $8 of permanent tax-exempt bond debt
- Final commitment of subordinate loans will require WHEDA Loan Committee approval. Loan structure may be revised based on loan underwriting.

B. National Housing Trust Funds

- Eligible applications may request HTF and count this as a committed source for purposes of the HTC application
  - Projects applying in the 9% Rural or State Credit Rural and Small Urban may request up to $500,000
  - Projects applying in the 9% Support Housing Set-Aside may request up to $1,000,000
- HTF must be paired with WHEDA first position financing (construction and permanent)
- HTF terms to be used should include an interest rate of 3% with a 19 year term including two years of interest-only payments during construction, 35 year amortization, payments subject to cash flow
- Projects requesting HTF must include 30% units. Amount of HTF will be capped per HTF unit based on the following limits:

Number of Bedrooms in Unit	**Maximum HTF/Unit Allowed**
0	$80,000
1	$92,000
2	$111,000
3	$144,000
4+	$158,000

- HTF units are subject to unique rent and income limits which may differ from HTC limits. HTF units should conform to HTF rent limits, which can be found in WHEDA's 2023 Appendix C.
- No additional HTF application materials will be required at the time of tax credit application, however if the tax credit application is successful, a complete HTF application will be required after award of tax credits to evidence compliance with all program requirements. For more information on the HTF program visit WHEDA's website.

C. Combining Balance Sheet and HTF Subordinate Debt

- If a project is eligible for both Subordinate Financing and Housing Trust Funds, the combined total of all sources must be sized to a maximum of a ratio of $1 of subordinate loan proceeds for $8 of permanent loan (or $1 of subordinate loan proceeds for $6 of permanent loan in in rural areas.

5. Calculation of Credits

A. Tax Credit Pricing:

- The ranges below should be used for 2022 applications:
  - 9% Metropolitan Counties: $0.85 - $0.89
  - 9% Rural Counties: $0.82 - $0.865
  - State Credits: $0.67 - $0.73
- For the purposes of 9% tax credit pricing, find a list of Wisconsin Metropolitan Counties directly below. All other Wisconsin counties are considered Rural for the purposes of tax credit pricing.

Wisconsin Metropolitan Counties

Brown	Eau Claire	Outagamie	Sheboygan
Calumet	Kenosha	Ozaukee	St. Croix
Chippewa	La Crosse	Pierce	Washington
Dane	Marathon	Racine	Waukesha
Douglas	Milwaukee	Rock	Winnebago

B. Boost Policy:

- Section 9.a. of the 2023-2024 Qualified Allocation Plan (QAP) refers to an annual publication of WHEDA's QCT, DDA and HFA basis boost policy.
- For 9% 2023 applications, properties in the Supportive Housing Set-Aside and Rural Set-Aside will be limited to 25% QCT, DDA or HFA basis boost. ~~Properties in the Rural Set-Aside will be limited to a 20% QCT, DDA or HFA basis boost –~~ For all other set-asides, the QCT, DDA and HFA basis boost will be limited to 15%.
- 4% applications may request a 30% QCT or DDA basis boost – the HFA basis boost is not available for 4% Housing Tax Credit applications.

6. Threshold

A. WHEDA will require that a minimum of 80% of projected funding sources be 'committed' at the time of application. For the purposes of this requirement, 'committed' funding sources include the following:

- The permanent loan amount based on WHEDA's loan terms on the date that the application cycle opens (November 18, 2022), as defined above.
- WHEDA subordinate loans or National Housing Trust Funds, as long as all criteria in Section 4 of this document are met.

- Other loans or grants with a firm commitment from the lender/grantor/government entity – identifying amount, interest rate, term, and amortization. For those applicants utilizing a commitment with other terms other than those provided by WHEDA (lower interest rate, longer amortization, etc.), WHEDA will require that those financing commitments meet the following requirements:
  - Fully executed – including signatures from both the lender and the borrower
  - Minimum term of 10 years
  - The interest rate must be locked through December 2, 2023 – this is the approximate deadline date for the submission of Carryover materials for properties that receive 2023 Housing Tax Credit awards
    - Indicative interest rates, or rates tied to a floating index will not be accepted
  - Commitments may contain conditions or contingencies, but only those that are within control of the borrower, or those that are based upon the performance of the borrower
    - Example: receipt of Housing Tax Credits
  - Commitments that are subject to final underwriting, loan committee approvals or other similar requirements will not be accepted
  - Developer secured self-financing commitments will not be accepted.
- Historic tax credit equity (with a Letter of Intent from the Syndicator/Investor)
- The Housing Tax Credit equity amount calculated in the MFA
  - An LOI is not required if your Housing Tax Credit application pricing assumption is within the range the WHEDA posted range.
  - Commitments that are subject to final underwriting, loan committee approvals or other similar requirements will not be accepted
  - Developer secured self-financing commitments will not be accepted.
- Applicants for Rural Development Section 515 properties for the 2023 tax credit cycle may use a loan rate of 4%, with a term and amortization equal to or lesser than 30 years. Funding will be subject to availability and approval by WHEDA.
- Developer-Financed TIFs
  - For those applications including developer-financed TIFs
    - Include evidence of Developer Agreement or Common Council approval
    - Include evidence of Annualized TIF Increment sizing methodology not limited to: Baseline Property Value, Forecasted Stabilized Property Value, Municipal Taxing Rate
  - The developer-financed TIF loan amount should be calculated based on the following items:
    - Term and amortization not to exceed the Municipal TIF Developer Agreement term and amortization
    - Interest rate equal to WHEDA's Permanent Financing rate for the WHEDA senior debt associated with Housing Tax Credit projects on the date of application
    - Loan sizing not to exceed 90% of net present value of the annual tax reimbursement, discounted by the current WHEDA posted financing rate

that matches the WHEDA senior debt for the duration of the property tax reimbursement

B. Applications for the same parcel(s)

- WHEDA will allow applicants to submit a 4% federal & state housing tax credit application and 9% federal housing tax credit application for the same parcel(s)
  - The 4% federal & state housing tax credit and 9% federal housing tax credit applications will be treated as distinct applications – the market study for each application should reflect the appropriate mix of units
  - In the event that both the 4% federal & state housing tax credit and 9% federal housing tax credit applications meet threshold requirements, and both applications receive a score that would qualify for a tax credit award, WHEDA will make an award to the 4% state & federal housing tax credit application, and will reject the 9% federal housing tax credit application
  - Applicants may not submit the same site as 2 distinct applications with different unit mix configurations in the same round 4% round or the same 9% round. Applicants may not submit the same site in different set-asides in the credit type in the same cycle year.

C. Can 2022 9% and State Housing Tax Credit recipients apply for additional tax credits in 2023?

- WHEDA will allow 2022 9% and State HTC recipients to apply for additional tax credits in 2023– these applications do not receive priority over other applications
- Applicants will be required to include a deferred developer fee equal to the lesser of (a) 35% of the total developer fee, or projected cumulative cash flow during the first 13 years of operations
- WHEDA will calculate a Financial Leverage score that is based on the amount of credit awarded in 2021 and the new credit requested in 2021
- The credit pricing estimate within the 2023 application must be equal to the credit pricing included in the approved 2022 Carryover application
- Additional documents must be submitted with the application – see "Additional Credit Requests" on www.wheda.com.
- Can be awarded up maximum allowed in current QAP but new award cannot exceed among of original award

D. What construction style are stacked flats considered for the purposes of the Appendix M (WHEDA Design Requirements)?

- Townhome style construction

E. My project contains a mix of elderly and family units. What PUPM Operating expense range is my project subject to? Is a weighted average approach acceptable?

- A weighted average is acceptable. Supporting calculations should be included with the application.

F. Zoning

- Projects that are proposing the inclusion of a Community Service Facility must include confirmation that the CSF is permitted in the documentation evidencing permissive zoning for the proposed project
- Projects requiring a conditional use permit will not be required to evidence this at time of application

G. Unit Mix Distribution

- The 2023-2024 QAP states that: "The distribution of units of various bedroom sizes is required to be proportionate to the distribution f units at various income limits.
- Within each designated income band that the project will serve, there must be a distribution of all bedroom sizes.
- It is not necessary to serve all income bands equally but it will not be permitted for a project to designate all 30% units as one-bedroom units and all three-bedroom units designated at 60% CMI.

7. Scoring

A. My project contains a half elderly and half family units. Is my project eligible for both Senior and Family points under the Areas of Economic Opportunity?

- Applications containing <u>more than</u> 50% senior units will be allowed to request points in the senior categories – all other applications should use the Family or Supportive categories

B. Score location-based scoring categories for scattered-site applications

- At least two-thirds of the **<u>units</u>** must meet the scoring criteria to qualify for points for any location-based scoring category.

C. Mixed-Income Incentive

- To qualify for points in this category, market rate rents must be at least 5% greater than the 60% CMI gross rent limit net of any utility allowance.

D. Community Service Facilities

- Applicants should consult with their tax or legal counsel before selecting points to ensure conformance with IRC §42 requirements
- Zoning letters must specifically confirm that CSF is permitted under current zoning
- Facilities proposed for the CSF are not eligible to be used for purposes of scoring in other categories such as Areas of Economic Opportunity

E. Developer Team

- Applicants seeking points for Emerging Developer participation should include the Emerging Developer Self-Certification available on www.WHEDA.com and may include any additional documentation to support eligibility.
- Emerging Developers with "substantial participation" in more than 6 multifamily real estate development projects are not eligible for Emerging Developer points. "Substantial

participation" is based on projects in which the controlling member of the Emerging Developer has held ownership.
    - For purposes of eligibility for Emerging Developer points, WHEDA will continue to require that Developer Fees are distributed proportionately to at least half of the ownership percentage to be held by the Emerging Developer. For example, if the Emerging Developer ownership interest is at 24%, the fee received by the Emerging Developer must be at least 12% of the total Developer Fee.

8. Compliance Issues

Policy limiting rent increases

Please see updated guidance on the implementation of this policy: https://www.wheda.com/globalassets/documents/tax-credits/htc/2023/2023-htc-policy-limiting-rent-increases-faqs.pdf

Other Issues:

Q: What are the requirements for WHEDA sub debt and HTF payments and deferred developer repayment?
A: All WHEDA Subordinate financing may be structured as non-amortizing debt with payments subject to cash flow. Deferred developer fee must be shown to be repaid with 15 years.

Q: Last year WHEDA sub debt payments were not included in DCR calculation for the tax credit application. Will that be the case again this year?
A: DCR calculation will be based on hard debt.

Q: What is the WHEDA loan fee structure?
A: Below is a summary of the current fee structure:
- All permanent financing (except for tax exempt bonds, including sub debt): 1.5%
- If permanent financing is also acting as the construction financing, no additional fee
- Tax exempt bonds: 1.0% for LT bonds and ST bonds
    - If LT bond is also acting as a construction financing, no additional fee will be applied
- Construction Plus financing: 1.0%

Q: Why isn't my project site located on the Rural or Small Urban list published on Appendix U?
A: WHEDA uses a multitiered definition which includes both population and proximity to urban areas. Each municipality must satisfy all tiers to qualify as Rural or Small Urban Areas. All published designations for the 2023 Cycle are final.

Q: Regarding the threshold materials of both 1) delinquent taxpayer verification and 2) delinquent child support verification, is either of these applicable for non-profit organizations?
A: No, these requirements do not apply to non-profit organizations.

Q: We are looking at two parcels that are across the street from one another, with a small parcel between them. If this is officially scattered site?
A: Yes – any project with more than one parcel that is not contiguous (with the exception of a roadway) will be considered to be scattered site.

Q: Is Income from Operations allowed as a committed source?
A: Income from Operations may be allowed only for an acquisition/rehab projects. Must be supported by copy of last three years P&L (revenue and expenses) statements for the property.

Q: Support for Operating Expenses required for all projects?
A: No, support is only required for acquisition/rehab projects that are requesting operating expenses outside of range.

Q: Can you clarify the scoring for the RFQ / High Needs points in the "Areas of Economic Opportunity?" When the public housing authority is an arm of the city, does it qualify for 5 points if the PHA does an RFQ for a development partner for an existing public housing site?
A: Yes, as long as the application is able to evidence the land is publicly-controlled and that the applicant is a successful respondent to a competitive RFP/RFQ.

Q: If a developer has 3 projects that score high enough to be funded, how will the 2 projects be selected?
A: WHEDA will select the project that best fits the stated goals of the QAP

Q: The Individual Employee Growth category, in 2022, stated that "A municipality is eligible if an individual employer has added 50 net jobs in that community..." - how are municipality/community defined?
A: The Individual Employer must be located in the same municipality in which the proposed project will be located.

Q: What is the pre-approval process for alternative certifications for the Higher Standard of Energy Efficiency scoring?
A: Applicants may submit proposed certification standards to HTC.FAQ@WHEDA.com for review. Submissions should include a detailed overview of the intended certification and information to establish how the certification exceeds the Wisconsin Green Built Homes score of 200 and is similar to the established certifications for this scoring category (Enterprise 2020 Green Communities or LEED Silver).

Q: Is operating budget documentation required if the proposed budget is within the established ranges?
A: No, documentation is only required if an eligible project is requesting a variance from the established ranges.

Q: What constitutes firm commitment of rental assistance?
A: Commitments must be signed by agency providing rental assistance, must identify the number of vouchers to be committed to the project, and the contract rent amount that the vouchers will support.

Q: What were the cutoff scores for awarded projects in the 2022 Cycle?

Set-Aside	Cut-Off Score for Awards
9% Program	
General	215
Nonprofit	174
Preservation	135
Rural	190
Supportive	163
State Credit Program	

General	184
Small Urban	204
Rural	193

Additions as of 12/23/2022

Q: How can I request the bonus credits without the project being shown as oversourced or impacting the leverage score?

A: Please follow these steps:

- If the project appears oversourced due to bonus credits, reduce one of the other sources (loan, grant, or deferred developer fee) by the dollar amount the project is oversourced
- Using the Other Adjustments cell on the Credit Calculation tab, reduce the amount of credits based on the sum of total bonus credits being calculated.
- This will not result in a reduction of credits calculated in the Annual Credit Award line.
- Sources & Uses should now balance or be within an immaterial range

Q: My Sources & Uses won't balance due to circular formulas. How can I resolve this?

A: WHEDA will permit an immaterial discrepancy between sources & uses that does not exceed $100 over/under sourced.

Q: Is a site plan required for acq rehab / preservations deals?

A: Yes, this is required for all submissions.

Q: What level of floorplans are needed for Universal Design scoring category for roll-in showers in multi-story units?

A: The requirement for floor plans is to demonstrate that the accessible bathrooms are also located on an accessible floor **in multistory units**. For example, if the two-story townhomes will include an accessible bathroom on the second floor but the only access to the second floor requires the use of stairs, this does not qualify for these points. The floorplans do not need to be detailed architectural drawings but should identify the locations or roll-in showers and evidence that they are fully accessible.

Q: What is WHEDA's definition of "elderly"

A: Under the HTC program, applicants may determine if 55+ or 62+ age restrictions are applicable to the project. Other funding sources for the project may have different requirements and applicants are responsible for determining these requirements. Changes in designation (i.e. change from age restricted to family units) subsequent to HTC award which impact the HTC score or market assumptions will not be permitted.

Q: For the additional 3 point scoring added to serves lowest income, do studio units qualify for these points too? I only see 1/2/3+ bedroom units listed in the scoring matrix of the application workbook.

A. Studios are weighted equally as 1-BR units (this revision was incorporated in the 22.12.16 version update of the Multifamily Application Workbook)

Q: Will you be able to switch between eligible higher standards of energy efficiency? For example if we certify that we will meet LEED silver, can we switch to Enterprise afterwards?

A: WHEDA will permit changes between equivalent certifications with written approval.

Q: Please confirm that including an emerging developer will increase the lead developer score vs only allotting the emerging points to the emerging developer and then using the average between lead and co-developer.

A: Confirmed.

Q: Are location points grandfathered in for additional credit applications?

A: No. Additional credit applications will be scored based on current statuses including QCT status, Rural Areas Without Recent Award, and all other location-based scoring criteria.

Q: If a public transit provider is planning to add a new stop adjacent to our development site, what type of documentation is required to show that the site will be no more than ½ mile from a regularly scheduled bus stop?

A: To receive points for public transportation the applicant must provide a map showing that the site is within one-half mile from a regularly scheduled bus stop. If available, please submit the bus schedule as well.

Q: Can I apply for 9% and 4%/State Credits for a single project subdivided into multiple condo units?

A: Yes, if the project is located on two separate parcels. Each application must be submitted as a separate project that is feasible on its own. Each application will be reviewed and awarded independently based on the credit type and set-aside.

Additions as of 1/13/2023

Q: We are working with a Non-profit organization to act as a pass-through owner for AHP purposes. If they only have this role and not a developer role/ received developer fee, can you confirm that this would not count against the number of deals they can be awarded from WHEDA? And that if the Non-profit is awarded credits as a Developer on other projects that this wouldn't affect the eligibility of us acting as developer or co-developer?

A: Confirmed

Q: If a developer applies for additional credits for a project that received credits in a prior year, does that project count towards the total number of current year awards for the developer?

A: Yes

Q: With the greater automation of the workbook this year as it relates to various scoring categories based on the location of the project, how are you expecting us to complete applications for scattered site projects with various cities, census tracts, school districts, distances from grocery stores, parks, etc.?

A: For automated scoring categories, please enter the information that pertains to the points being requested and submit supporting documentation wherever applicable to demonstrate that the sufficient sites meet the scoring requirements.

Q: Will market rate units be permitted in projects electing the Average Income set-aside now that the IRS has issued updated guidance?

A: No, the QAP continues to disallow market rate units in projects electing the Average Income set-aside.

Q: For scoring category 2, if we want to score 20 points on our application are we required to have at least 200 WGBH points and meet the Enterprise Green Communities Criteria or only meet the Enterprise Green Communities Criteria? If we achieve LEED Silver for scoring purposes, will that also satisfy the Appendix M sustainable design requirements?

A: If a certification is eligible for scoring 20 points for the Higher Standard of Energy Efficiency & Sustainability scoring category, it is not necessary to obtain any additional sustainable design certifications for scoring or threshold purposes.

Q: Will the new Wisconsin Green Built Homes Gold Standard be acceptable to earn 20 points in the "Higher Standard of Energy Efficiency & Sustainability" scoring category

A: WHEDA has approved the newly created Wisconsin Green Built Homes Gold Standard as acceptable to earn 20 points under this scoring category.

Q: What is the rule for bonus credits on state credits as it relates to eligible basis limitations? The MFA Workbook is allowing the project to take the bonus credits for energy efficiency and 30% units even when it exceeds the maximum eligible basis. Are we allowed the extra 1% bonus on the state even though we are capped at the eligible basis amount on the federal?

A: State credit applications may request the full calculated bonus credits on the state credit calculation. Federal credits (9% and 4%) are limited to the amount supported by eligible basis.

Q: Can the same developer receive an allocation of credits in both the General Set-aside in 9% and State Credit programs under the limit that restricts a single developer from receiving multiple allocations in the same set-aside?

A: Yes, although the 9% and State HTC programs each contain set-asides that use the same name (General and Rural) they are considered separate set-asides as they are under different programs.

Q: For purposes of scoring points for Emerging Developer inclusion on a development partnership is it required that the developer fee earned by the Emerging Developer must be paid from Developer Fee Received and not Deferred Developer Fee?

A: Developer fee distribution timing (and all other aspects of the development) should be proportionate to ownership percentages as defined FAQ item 7.E above. If 50% of the total developer fee will be deferred, no more than 50% of the Emerging Developer's portion should be deferred.

Additions as of 1/18/2023

Q: WHEDA's posted interest rate for projects using tax-exempt bonds have decreased since the previous guidance was issued. Are we allowed to use current posted rate?

A: See updated guidance in Section 3.C. on page 3 above.

Q: Construction interest calculation on Construction Draw Tab is calculating a different amount of interest than expected.

A: The MFA is not accurately sizing the construction interest calculation. An addendum has been made available to provide a corrected format of the draw schedule. Use of addendum is optional for application submission purposes. Alternatively, you are free to use your own method of sizing construction loan interest and using that number in the budget.

Q: Calculation of General Requirements, Contractor Overhead, and Contractor Profit are incorrect on the Financial Feasibility tab.

A: Row 28 and 29 on Tab 16 are not correctly being pulled into the calculation of General Requirements, Contractor Overhead, and Contractor Profit on the feasibility tab. Row 28 on Tab 13 tie to Rows 128, and 142 of Tab 15. Row 29 on Tab 16 ties to Rows 35, 118, and 152 on Tab 13. To resolve this, move any costs in these sections to another section of the SOV so the feasibility calculation will be accurate. Please include a note wherever necessary to indicate changes.

Q: On Tab 21 - Max Cost Model – Question D “Is the Development Located on WI Tribal Lands?” is not populating as “Yes” when the project is indicated as being located on Tribal Land.

A: The MFA has an error in this formula. Please use Appendix F – standalone Maximum Cost Model and disregard Tab 21 of the MFA.

Q: Access to Amenities page states Small urban allows for 1.5 miles distance but it only awards points for 1 miles or less.

A: The scores for Category 13 – Areas of Economic Opportunity (Tab 37) are calculated based on the information entered in “Nearest Linkages and Services” on Tab 7. To ensure that points are awarded where they are eligible, please enter a distance of 1.0 miles on Tab 7 and add an explanation in the Applicant Notes section to explain where which have been adjusted.

Q: Unit mix distribution

A: The distribution required is such that of the bedroom sizes and income bands you intend to serve are proportionate to the best of your ability, understanding there may be reasons why this can’t always be done perfectly. In the scenario you describe, our preference would be that you include a 2BR unit at each income band. If you are not able to do so, please distribute the 2 BR units that you do have (rather than concentrating them at a single income band) and include an explanation of why you could not achieve equal distribution.

Q: On your max cost model, question K mentions the word “primarily.” What does primarily mean for purposes of this calculation? More than 50%?

A: Correct

Q: For your HTF underwriting, you indicate that the requested funding is based on the number of 30% units at the project. Would voucher units that we need to show as 60% units on the MFA count towards those funds?

A: Units must be reflected as 30% in the unit mix and LURA to be eligible for HTF.

Q: What level of detail is needed in the site plan?

A: Please indicate project elements that pertain to threshold or scoring purposes.