2024 Housing Tax Credit Program

Qualified Allocation Plan FAQs and Guidance

Updated: January 17, 2024

APPLICATION SUBMISSION

A. Application submission process

- Prospective applicants must complete a Procorem Workcenter Access Form and submit to HTC.FAQ@WHEDA.com for each HTC application submission
- All application materials must be complete application is to be submitted to WHEDA using the electronic file transfer system Procorem.
- The application fee must be received by WHEDA or postmarked by the application deadline.
- More information about Procorem is in the FAQ Document posted to WHEDA's website.

B. 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 Tax Credit Signature Page.
    - Tax Credit Application Fee. Payment by Wire/ACH preferred or by check if received or postmarked by the application deadline.
- Application deadlines are established in the QAP. Application materials will not be accepted after the deadline.
- Flash drives and paper copies of application materials are not required.

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

THRESHOLD ELIGIBILITY REQUIREMENTS

Availability and Calculation of Credit

A. Approximately $17 million of Federal 9% Housing Tax Credits will be made available.

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

C. 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.

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

E. 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

Applicant Eligibility

A. Applicants who have not met the mandatory construction start date from the previous allocation cycle will not be allowed to apply for HTCs in the next cycle, unless construction has started a minimum of 30 days before the next HTC application deadline unless written approval by WHEDA is granted. See QAP for more information.

B. Individuals holding 20% or more ownership interest in any entity within the project's ownership structure may not have a current delinquency in payment of state taxes or child support. Non-profit organizations are exempt from this requirement.

Financial Feasibility

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 posted to the website on the date that the HTC application is submitted.
- WHEDA subordinate loans or National Housing Trust Funds, as long as all criteria in the relevant section 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 1, 2024 – this is the approximate deadline date for the submission of Carryover materials for properties that receive 2024 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 2024 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

- 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.

B. Sources & Uses must balance. WHEDA will permit an immaterial discrepancy between sources & uses that does not exceed $100 over/under sourced.

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 in 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.
  - Projects containing a mix of elderly and family units may use a weighted average methodology for operating expenses. Supporting calculations should be included with the application.
- **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 is submitted~~. All projects using WHEDA's Permanent Financing for 9% HTC Projects may use a rate of 6.85% for underwriting purposes for first mortgage (UPDATED AS OF 12/18/2023) and 8.47% for construction financing (UPDATED AS OF 1/5/2024).**
  - 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 is submitted.~~ **All projects using WHEDA's Tax Exempt Bond Financing may use a rate of 6.50% for underwriting purposes for Long Term Bonds (UPDATED AS OF 12/18/2023) and 5.65% for Short-Term Bonds (UPDATED AS OF 1/5/2024).**

- 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

Subordinate financing

A. WHEDA Balance Sheet Funding

- WHEDA intends to make subordinate financing available for 2024 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 2024 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.

Calculation of Credits

A. Tax Credit Pricing:

- The ranges below should be used for 2023 applications:
  - 4% and 9% Metropolitan Counties: $0.82 - $0.88
  - 4% and 9% Rural Counties: $0.78 - $0.86
  - State Credits: $0.67 - $0.73
- For the purposes of Tax Credit pricing ranges, Wisconsin Metropolitan Counties are listed 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. 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.

C. Applications for additional tax credits:

- WHEDA will allow 2023 9% and State HTC recipients to apply for additional tax credits in 2024. 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 2023 and the new credit requested in 2024.
- The credit pricing estimate within the 2023 application must be equal to the credit pricing included in the approved 2024 Carryover/Tier One application.
- Additional documents must be submitted with the application – see "Additional Credit Requests" on www.wheda.com.
- Projects can be awarded up maximum allowed in current QAP for the set-aside in which the project was awarded in 2023.
- 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.

Site and Project Design

A. 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.

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

C. 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

D. What level of detail is needed in the site plan?
- Please indicate project elements that pertain to threshold or scoring purposes.
- Site plans are required for acq/rehab / preservations deals

E. 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.

SCORING REQUIREMENTS

A. Cutoff scores for awarded projects in the 2023 Cycle:

Set-Aside	Cut-Off Score for Awards
9% Program	
General	215
Nonprofit	216
Preservation	132
Rural	194
Supportive	175
State Credit Program	
General	192
Small Urban	196
Rural	196

B. Expiring QCTs: My project is located in a census tract that was designated as a QCT in 2023 but no longer qualifies in 2024. Federal Register guidance provides that a QCT that does not appear on the subsequent year's list will remain effective if a complete Housing Tax Credit application is submitted before the effective date of the subsequent year's QCT list. Given that WHEDA's application window is open from November 17, 2023 – January, 2024, if I submit a complete application before December 31, 2023 will WHEDA permit the QCT designation to be preserved for the purposes of the boost to eligible basis and for the purposes of eligibility for Housing Tax Credit application scoring categories impacted by QCT status?

- If applicants elect to submit a complete application during calendar year 2023, WHEDA will consider the QCT status to be preserved for purposes of tax credit basis and all related scoring elements. Applicants wishing to pursue this option must notify WHEDA of this intent and will forgo the option to submit any application materials subsequent to December 31, 2023 regardless of any modifications to the project or additional FAQ guidance issued by WHEDA after this date.
- See Federal Register Vol. 88, No. 182, published September 21, 2023 and review your specific situation with your legal/tax consultants to confirm eligibility

C. Energy Efficiency & Sustainability

- 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?
    - WHEDA will permit changes between equivalent certifications with written approval.
- 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?
    - 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.

- To obtain pre-approval for alternative certifications for the Higher Standard of Energy Efficiency scoring, 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).

D. 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.

E. Universal Design

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

F. Development Team

- Applicants seeking points for Emerging Developer participation should include the Emerging Developer Self-Certification available in Appendix P 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 that have placed in service 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.
- Developer fee distribution timing (and all other aspects of the development) should be proportionate to ownership percentages. If 50% of the total developer fee will be deferred, no more than 50% of the Emerging Developer's portion should be deferred.
- Inclusion of an emerging developer will increase the lead developer's score and the emerging developer's score.
- Nonprofit organizations are not eligible for emerging developer points. The principal of the emerging developer entity must meet the eligibility requirements.

G. Areas of Economic Opportunity

- 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
- How are location-based scoring categories determined 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. Complete documentation to evidence satisfaction of this should be included in all applicable sections of the application.
- Access to Amenities states Small urban allows for 1.5 miles distance but it only awards points for 1 miles or less for the Medial Clinic/Hospital Amenity.
  - 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.

H. Rural Areas without Recent Tax Credit Awards

- WHEDA has determined that two counties were inadvertently excluded from the list of counties eligible for points in this category in the 2024 cycle. **Columbia and Lafayette County will be eligible in 2024 in addition to the counties identified in the MFA.**

I. 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.
- Market studies must validate the need for the CSF.

Q&A UPDATE AS OF 12/18/2023

Note on Interest Rates: See updated guidance on interest rates for on pages 4 and 5 of this document (changes are highlighted in yellow).

Q: Can you confirm that my submission of Appendix S was received by Department of Human Servies before the cutoff date? What can I do if I missed the Appendix S deadline? When will I receive a response from DHS about my submission?

A: All issues pertaining to DHS receipt or review of Appendix S must be directed to DHSDLTCHousing@dhs.wisconsin.gov. Acceptance of and approval of Appendix S submissions will be at the discretion of DHS.

Q: Will WHEDA require all elements noted on Appendix G and G1 to be included in a Capital Needs Assessment even a CNA missing any of the requirements was accepted in a previous application cycle?

A: WHEDA will strictly enforce all elements of Appendix G in the 2024 cycle which may result in CNAs that were accepted in previous application cycles to be disqualified in 2024. Applicants are responsible for ensuring that all submitted materials meet the stated requirements.

Q: The Individual Employee Growth category states 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.

Proportionate Distribution of Unit Mix

Upon request, WHEDA will review and provide feedback or offer approval to verify that a specific proposed unit mix meets the Proportionate Distribution requirement ahead of the application submission deadline.

Any prospective applicant may submit a request for review by sending a summary of the proposed unit mix to HTC.FAQ@WHEDA.com. Please include the total number of units in each income band and bedroom size.

Preapproval of the unit mix is not required but is being made available to remove uncertainty in the process.

- **Please note that the Unit Mix Distribution Analysis on Tab 3 (Project Summary) of the MFA will not indicate a distribution concern in instances where there are zero units included in any category. This does not indicate that the unit mix is considered to be proportionately distributed or acceptable under the QAP.**

    - Example: A project will include units of 1 BR, 2 BR, and 3 BR sizes and will serve residents at the income levels of 30%, 50%, and 60% CMI. The proposed unit mix designates all of the 30% units at the 1 and 2 BR unit sizes and none at the 3 BR unit size. The Unit Mix Distribution Analysis will not indicate a red cell in the 3 BR 30% category because no data has been entered into this category. However, this unit mix would not be considered to be proportionately distributed because there are no 3 BR units being offered to the lowest income levels. Sufficient proportionality can be determined by ensuring that at least one unit is being included at all of the income levels and bedroom sizes being served by the project in order for the MFA to indicate sufficiency of the distribution.
- Market Rate units are not required to meet proportionate distribution requirements.

Q&A UPDATE AS OF 1/5/2024

Q: Are there instructions for how to wire, pay by ACH, or otherwise remit payment electronically of the application fee?
A: WHEDA's electronic payment instructions have been added to each Procorem Workcenter and will also be made available upon request.

Q: In the FAQ update on 12/18/23, WHEDA locked the tax-exempt financing rate at 6.50%. Since then, rates published on WHEDA's website have fallen below this level. Are applicants able to use a lower interest rate for state 4% applications?
A: Applicants must use the rates published in this FAQ document. The rate is established for purposes of the tax credit application submission to provide consistency across all applications and a fixed rate for application preparation purposes.

Q: Per the FAQ updated on 12/18, state 4% applicants using WHEDA's Tax-Exempt Bond Financing can use an interest rate of 6.50% on the application. However, it does not specify whether this rate applies to long-term tax-exempt bonds, short-term tax-exempt bonds, or both. Could you please advise? Thank you.
A: Rates for short-term bonds and construction financing for 9% applications have been added to the "Underwriting" section of this document beginning on page 4. Updates are highlighted in yellow and labeled with the date of the update.

Q: The FAQ states that WHEDA HTF may be considered committed sources for projects in applicable set-asides. It does not explicitly say the same for applications applying for WHEDA subordinate balance sheet financing. Can applications consider any WHEDA subordinate financing as committed as it pertains to the 80% committed funds threshold?
A: WHEDA Balance sheet subordinate financing will be considered a "committed" source if all eligibility, loan sizing, and other terms are met as described under "Subordinate Financing" on page 5 of this document.

Q: If Housing Trust Funds are included as a source (for a Rural or Small Urban project), does the project need to have 50% deferred developer fee? This is listed as a requirement for Balance Sheet funding but not in the HTF section; however, WHEDA's HTF policy for our recent projects has been to require DDF of at least 50%. If 50% is required, how will WHEDA review the repayment of DDF if 50% cannot be shown as repaid in 15 years in the proforma tab? The Financial Feasibility tab of the Workbook states that "WEHDA reserves the right to reject competitive applications for the inability to repay DDF in the 15 year tax credit period."
A: The requirement to defer 50% of developer fee ~~applies to all WHEDA subordinate debt products. All deferred fee must be projected to repaid within the 15 year period on the Projected Cash Flow tab of the MFA.~~ will not be applied to HTC applications requesting HTF as a committed source at the time of initial HTC Application. Final approval of HTF loans and all WHEDA financing will be subject to WHEDA's underwriting and Loan Committee approval process. (Revised 1/17/2024).

Q: Can you confirm that WGBH Gold Standard will qualify for the Higher Energy Efficiency points? This was added in the 2023 FAQ but is not listed in the recent 2024 FAQ - we would like to confirm that program is still acceptable for these points.
A: Confirmed. WHEDA will continue to accept Wisconsin Green Built Gold Standard for Higher Energy Efficiency points.

Q: Developer Team Capacity Score Questions:
A: Development Team Capacity Score is based on WHEDA's evaluation of timely and accurate completion of prior HTC applications and awards. WHEDA reviews all aspects of performance in the HTC program including but not limited to occurrences of late or incomplete submissions such as Carryover/Tier One Applications, Construction Start Deadline, 8609 Applications, payment of program fees, and instances of noncompliance under the Qualified Allocation Plan.

Q: Are Sole Proprietors eligible as emerging developers in 2024?
A: Yes, please submit a certification that describes the business model in lieu of the Articles of Incorporation as documentation required on Appendix P (Development Team).

Q&A UPDATE AS OF 1/17/2024

Q: Entity does not have an owner with more than 20% ownership

A: If an entity does not have an individual owner with greater than 20% ownership then please include a statement in your application to certify to this, and include any additional documentation that supports this as you are able.

Q: My project qualifies for the Rural Set-Aside but is applying under a different set-aside. Can the scoring criteria established for projects in the Rural Set-Aside (i.e. on-call transit or leverage score) still be applied to my project?

A: Any rules and scoring guidelines specific to the Rural Set-Aside will only be applied to projects applying under the Rural Set-Aside.