

Wisconsin Housing and
Economic Development Authority
201 West Washington Avenue
Suite 700 | P.O. Box 1728
Madison, Wisconsin 53701-1728

T 608.266.7884 | 800.334.6873



Date: March 19, 2015

To: LIHTC Development Community

From: Commercial Lending Group

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

WHEDA will continue to allocate the High Impact Project Reserve (HIPR) credits through a 9% Competitive Low Income Housing Tax Credit round to be held in late-July. WHEDA will reserve a minimum of \$850,000 of LIHTCs to be available for 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 2015 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 #1
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 a minimum of \$850,000 of Low Income Housing Tax Credits to fund a 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 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. 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

The LIHTC application score, and the score for the HIPR items noted above, will be combined to create a total score for the HIPR application.

There are two methods to apply for HIPR:

1. All Competitive Credit applicants applying in the normal Competitive round (applications due January 31, 2014) were allowed submit materials which support how their project might meet the High Impact criteria. If an applicant does not receive an award in the normal round, they will remain "on hold" and their submitted HIPR materials will be reviewed after July 15 for the HIPR award. No additional fee or submittal is required. No changes will be allowed to applications submitted in the normal round. However, applicants may submit a new HIPR-specific application as described below.
2. HIPR applications may be submitted via WHEDA's online application system between July 16, 2015 and 5:00 p.m. CST on July 31, 2015. Paper applications (printed by the applicant after the electronic submission) must also be submitted. The application must meet all regular LIHTC application submittal requirements, including fees. One original of the application is required. Applications will be accepted by hand-delivery, overnight delivery or mail. If mailed, applications must be postmarked no later than July 31, 2015. Overnight deliveries must be submitted to the delivery service by July 31, 2015. If hand-

delivered, the submission deadline is July 31, 2015 at 5:00 p.m. Applications must be mailed or delivered to WHEDA's Madison office.

Standard application threshold criteria (including market and site review) and submittal requirements will apply.

WHEDA will post the list of HIPR applicants, and the award, on www.wheda.com.

The award is expected to be made in September 2015. Applicants should be fully prepared to maintain site control, secure investor equity and execute a LIHTC Reservation Agreement and Carryover Agreement with submission of all applicable fees.

HIPR Credit requests must not exceed \$850,000.

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 2015.

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

The following text is added immediately before QAP Section II. A. 6

A partial credit award will only be made if needed to reach the 10% non-profit requirement mandated by the IRS, or the scenario in which credits have been returned or received by WHEDA that would otherwise expire if not allocated before the end of the year.