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Date: August 28, 2016  
To: LIHTC Development Community  
From: Commercial Lending Group  
Re: Modification of the 2015-2016 Qualified Allocation Plan  
Revisions for the 2016 LIHTC Cycle

The attached document contains a summary of the revisions for the 2016 Low Income Housing Tax Credit (LIHTC) allocating cycle.

As noted in the Qualified Allocation Plan (QAP), applications for the competitive LIHTC will be accepted from January 15, 2016 through 5:00 PM on Friday, January 29, 2016, with an award announcement expected on (approximately) May 1, 2016.

Unless revised in this announcement, all threshold criteria, scoring requirements, date and deadlines, etc. in the 2015-2016 Qualified Allocation Plan remain in effect.

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

Thank you for supporting affordable housing in Wisconsin.

*-WHEDA Commercial Lending Group*



**Modification #2**  
**Low Income Housing Tax Credit 2015-16 Qualified Allocation**  
**Plan for the State of Wisconsin**

**August 28, 2016**

The following changes to the 2015-2016 Qualified Allocation Plan will take effect on January 1, 2016 (unless otherwise indicated):

- *Scoring Category 3 – Community Notification and Support.* WHEDA will accept only one support letter from an individual – regardless of the number of roles/capacities/organizations the person may represent.
- *Scoring Category 4 – Mixed Income Incentive.* For occupied residential properties, applicants must submit a rent roll that identifies the most recent household income for those residents occupying units at the property.
- *Scoring Category 7 – Integrated Supportive Housing.*
  - Within WHEDA’s on-line tax credit application (LOLA), applicants will not be able to identify more than 25% of the units as Integrated Supportive Housing.
  - To receive points in this category, applicants will not need to score a minimum of 18 points in Scoring Category 10 – Universal Design.
- *Scoring Category 10 – Universal Design.* Near the end of the scoring options, the existing text “Items Below only available for Acquisition/Rehab and Preservation projects” will be changed to “Items Below only available for Acquisition/Rehab projects – points for the following items will not be awarded to Adaptive Reuse projects.”
- *Scoring Category 11 – Financial Participation.*
  - The bullet point referencing the need to provide an evidence of a commitment for the AHP grant recipient to lend the proceeds to the LIHTC ownership entity will be deleted.
  - Points will be awarded in this category (for 4% LIHTC applications) with evidence of tax-exempt bond proceeds. This change takes effect immediately.
- *Scoring Category 12 – Ownership Characteristics.*
  - Scoring requirements will be modified to include educational options in lieu of development experience - recent graduate of WHEDA’s Development Training Program, Marquette University’s Associates in Commercial Real Estate program (or an equivalent program at another educational institution).
  - For properties requesting points for tax-exempt ownership, WHEDA expects that the Tax Exempt Organization will have at least 51% ownership of the Managing Member LLC and significantly participate in the project from the development stage throughout the 15 year compliance period. The MOU must reflect that the Tax Exempt Organization will have significant participation including but not limited to voting rights and cash flow. The MOU must also reflect 51% ownership of the general partner, but does not necessarily need to reflect the Tax Exempt Organization having 51% rights to cash flow, development fee, or other financial aspects of the project. However, WHEDA has the expectation that the Tax Exempt Organization will be appropriately compensated for their direct involvement or costs associated with the project.
- *Scoring Category 15 – Readiness to Proceed.* If the zoning for a property requires that the site also contain commercial space, applicant to provide documentation describing how the commercial space will be constructed and financed.

- *Scoring Category 16 – Credit Usage.*
  - In the on-line application, WHEDA will provide a scoring option for properties that contain a mix of Acquisition/Rehab units and New Construction or Adaptive Reuse units.
  - The credits attributable to job-related Community Service Facilities in QCTs will be excluded from the Credit Usage calculation
  - Credit Usage ranges will be increased slightly
- *Scoring Category 17 – Employment Centers and High Needs Areas.* The updated list of 2016 Employment Centers and High Needs Areas was published on [www.wheda.com](http://www.wheda.com) in July 2015. In the event that an applicant did not receive a credit award in 2015, and is resubmitting the same site in 2016 – if the tract was located in an Employment Centers and High Needs Area in 2015, but is not identified as an Employment Centers and High Needs Area in 2016, points will be awarded to that application in this category in 2016.

#### Additional modifications

- Developments receiving Carryover Allocations must close and begin construction by July 31st of the calendar year following the year in which Credits were first allocated. The Carryover Agreement will be void unless a 30-day extension has been approved by WHEDA and an extension fee (equal to 1% of the credit amount) has been received prior to July 31st. If the Owner does not comply with this requirement, WHEDA reserves the right to revoke the Credit allocation.
- During the past few years, WHEDA has held a High Impact Project Reserve (HIPR) round with an application deadline in late-July. In 2016, WHEDA intends to award Low Income Housing Tax Credits through HIPR within the application round that closes on January 30, 2016. WHEDA will be providing additional 2016 HIPR guidance in the near future.
- The Owner will be required to submit a copy of the closing binder/packet (on a flash drive or CD) with the 8609 application. If the Owner received Financial Participation points in the initial application, WHEDA will review the closing binder/packet to determine if the items that received Financial Participation points (a) were included in the final financial structure of the property, or (b) were replaced with funding sources of a similar amount, rate and term.
- In the autumn of 2015, WHEDA expects that HUD will announce that one or more zip codes in Wisconsin will be identified as 2016 Difficult Development Areas (DDAs) – since the inception of the LIHTC program, there have been no DDAs in Wisconsin. If that occurs, WHEDA will share that information with the LIHTC Development Community.

Other minor modifications will be noted within the on-line LIHTC application (LOLA), application field and section instructions, and checklists. We expect that LOLA will be available on (approximately) December 1, 2015.