

2024 Housing Tax Credit Program

Changes in Modification #1 of the 2023-2024 Qualified Allocation Plan and Additional Housing Tax Credit Program Requirements



Changes to Threshold Requirements

- **Requirement to establish proportionate distribution of unit mix clarified**
 - The distribution of units of various bedroom sizes is required to be proportionate to the distribution of units at various income limits such that within each income band that the project will serve, no fewer than 10% of each bedroom size provided within the project may be designated at that income band.
 - The Multifamily Application workbook (MFA) now includes an analysis of the unit mix to indicate unit types that do not meet this requirement.

- **Management agent certification now required for 4% noncompetitive projects**
 - Starting in calendar year 2024, WHEDA will require all participants of the HTC program to engage a management agent that has been certified by WHEDA. In previous years this requirement only applied to competitive 9% or State HTC applications. More frequent opportunities for approval will be made available to accommodate the 4% application cycle.

Changes Scoring Requirements

- **Energy Efficiency and Sustainability**
 - **Remove Bonus Credits for sustainable design scoring category**
 - The 2023 cycle offered 5 additional competitive points and a Bonus Credit of 1% of the annual credit allocation for projects that elected to pursue the “Higher Standard of Energy Efficiency & Sustainability” such as Enterprise 2020 Green Communities or LEED Silver Certifications.
 - The points will continue to be offered however the Bonus Credits will be removed.

 - **On-call transportation programs may be accepted for Public Transportation points for projects in the Rural Set-Asides**
 - In previous years, “on call” transportation programs have only been recognized for properties on tribal land. Many other rural communities offer on call services in place of regularly scheduled transit services.
 - Transit must be offered at an affordable price comparable to other public transit systems (taxis and other high-cost ride share services such as Lyft, Uber, etc. are not eligible for points).

- **Developer Team Score**
 - **Clarify Emerging Developer eligibility**

- 2023 Cycle offers 2 or 3 points in the Developer Team Scoring Category for projects that incorporate an Emerging Developer into the project at 24% or 49% ownership levels. Emerging Developers were defined as those who have had substantial participation in 6 or fewer multifamily real estate development projects.
- In 2024, WHEDA will establish a definition of “substantial participation” for the purposes of this scoring category such that projects shall be counted toward the limit of six when they have been placed in service.

Changes to Administrative Procedures

- **Additional language added to Section VII. Statement of Policy:**
 - All decisions regarding allocations of Credit and any subsequent decisions pertaining to participation in the Housing Tax Credit program throughout the lifetime of the project shall be considered final at the sole discretion of WHEDA. WHEDA expects that all representations in the initial and all subsequent applications for Housing Tax Credits will be completed in the final construction of the project. Modifications will not be approved except in cases of severe hardship even if the changes do not impact scoring or the results of the competitive application cycle of the amount of the allocation of Credit. Recipients of Housing Tax Credits who wish to request a modification to a project or appeal an outcome of a decision may submit the request in writing for consideration.

- **Revisions made to Section IX. Noncompliance and Previous Performance:**
 - WHEDA will review the compliance history and overall performance of members of the development team. The development team is defined as the developer, applicant, owner, management agent, contractor, general partner or managing member of the ownership entity, or any related entity which controls, is controlled by, or under common control with any of the foregoing. Penalties may be imposed if any of the development team members are found to have:
 - 1) submitted information to WHEDA that, when verified by WHEDA or other third-party review, is found to materially affect the qualified basis of the building or other representations made in the application for Credit which have not been explicitly approved by WHEDA;
 - 2) failed to make the required 10% expenditure for two or more allocations in the five calendar years preceding the application;
 - 3) returned Credit for two or more allocations in the previous five calendar year period(s);
 - 4) not made satisfactory progress on existing allocations;
 - 5) been issued an IRS form 8823 with line 10(j) marked as "out of compliance." Line 10(j) states: "Project is no longer in compliance nor participating in the low- income housing tax Credit program (attach explanation)".
 - 6) is determined to have outstanding compliance fees or compliance reports.
 - 7) any individual with ownership of 20% or more within the managing member/general partner is found to have unpaid taxes or child support in the State of Wisconsin

Noncompliance or unsatisfactory performance may result in any member of the development team:

- 1) to be assessed negative points against future applications for Credit;
- 2) to be denied participation in the Credit Program including competitive and noncompetitive HTCs for a period of up to three years.

Assessment of the penalty of temporary barring of participation in the Credit Program will require approval by the Board of Directors and will go into effect immediately upon the determination.

For a redlined version of the Modification #1 of the 2023-24 Qualified Allocation Plan please visit:

<https://www.wheda.com/globalassets/documents/tax-credits/htc/2024/modification-1-gap-2023-24-redline-version.pdf>