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# 2027-28 Qualified Allocation Plan for the State of Wisconsin

Revised \_\_\_\_\_ 2026

## Introduction/Program Overview

The Governor has appointed Wisconsin Housing and Economic Development Authority (WHEDA) to administer the Housing Tax Credit (HTC or "Credit") Program in Wisconsin. In accordance with Section 42 of the Internal Revenue Code (the "Code"), WHEDA has developed this Qualified Allocation Plan (the "Plan"). WHEDA will implement this Plan following a public hearing, approval of the Plan by the WHEDA Board of Directors, and final approval of the Plan by the Governor. This Plan governs calendar years 2027 and 2028 and all projects that receive an allocation of Credit under this Plan.

## Discretion

In the process of administering programs and resources, WHEDA will make decisions and interpretations regarding the QAP, applications, and properties. Unless otherwise stated, WHEDA is entitled to the full discretion allowed by law in making all such decisions and interpretations.

In the event of a:

- conflict with state or federal laws or regulations;
- weather-related disaster;
- major disruption in financial markets;
- substantial change in resources available; or
- other similar unforeseen, consequential circumstance;

WHEDA may amend, disregard, modify, or withdraw any section of the QAP, including selection criteria, that interferes with an appropriate response.

## Overview of Credit Programs

### Types of Credit Allocated Under this Plan

The Qualified Allocation Plan governs projects that use the Federal 9% Credit, Federal 4% Credit, and the State of Wisconsin Housing Tax Credit as outlined in this Plan.

### Requirements for All Credit Types

#### Compliance with all Legal and Regulatory Requirements

Participants in the HTC program are responsible for ensuring full compliance with all legal and regulatory requirements including but not limited to Internal Revenue Code Section 42 and Wisconsin 2017 Act 176 and

all local, state, and federal regulations that govern all aspects of the process of development of projects using Housing Tax Credits.

### Market Evaluation

WHEDA will analyze the market strength of all applications as a threshold determination in accordance with the procedures established in Appendix A. All applications, including those financed with tax-exempt bonds, must meet the market approval threshold as determined by WHEDA.

WHEDA may reject applications for market feasibility if an insufficient market exists for the proposed development, the proposed site is not appropriate for rental housing, or that the proposed development will have a negative impact on existing multifamily housing or other developments in the market area currently under pre-development, construction, or lease-up. WHEDA also may reject otherwise feasible applications if multiple applications are submitted within a concentrated area and meet all other conditions to receive an Award.

### Financial Feasibility

WHEDA may reject applications or reduce Credit requests/allocations at any stage of the allocation process based on financial infeasibility, excessive Credit request, or development budgets being inadequate or excessive. WHEDA limits total development cost for any one development under a formula based on location, number of units, and other project specific components. Public housing authorities and tribal housing authorities are exempt from this if they are the primary applicant and Choice Neighborhoods or NAHASDA (or similar to NAHASDA) is a source of funds.

Developments with HUD or Rural Development financing and/or project based subsidies must comply with the applicable appendices of the Credit application. WHEDA may reject 9% Credit applications if it believes the development could reasonably be accomplished utilizing 4% Credits and tax-exempt financing. WHEDA may use the following assumptions for this determination: WHEDA's current tax-exempt loan rates, longer amortization, a subsidized second mortgage, utilization of an alternative type of Credit from what is requested, modification of the unit mix, or reasonable deferment of developer fees.

### Underwriting Criteria

WHEDA will require projects to adhere to established underwriting guidelines in Appendix D, including but are not limited to:

- Housing Tax Credit pricing assumptions
- Loan terms for purpose of HTC applications
- Debt Service Coverage Ratio
- Vacancy rate
- Other income
- Fee sizing parameters
- Credit Boost policy
- Assumptions for use of WHEDA Subordinate Debt Financing

The distribution of units of various bedroom sizes must 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.

## Land Use Restriction Agreement (LURA)

Owners of developments funded from any HTC program will enter into a Land Use Restriction Agreement (LURA) with WHEDA for a mandatory 30-year period with no "opt-out" provision.

## Minimum Score

WHEDA requires a minimum threshold point score for all applications as noted in the application.

## Application Submission

WHEDA will prepare and make an application available, including a prescribed form and a list of required additional documentation. All initial and subsequent HTC applications must be submitted via WHEDA's electronic application system. WHEDA will disqualify any HTC application not fully executed by all applicants, (Primary Applicant and Co-Applicant).

WHEDA will accept HTC applications according to the calendar noted in this QAP. WHEDA may accept late applications if it has not received an adequate quantity of quality applications.

Applicants must submit a complete application in accordance with the checklists published to WHEDA's website again at carryover allocation and when building(s) is (are) placed in service and certify to all Federal, State, and local subsidies expected to be available to the development.

Reservations will be subject to cancellation if the owner is unable to provide satisfactory evidence of progress toward timely completion or if there are significant changes to the proposed development from the approved application.

## Development Team Eligibility

The development team is defined as the developer, co-developer(s), 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. Projects that include a co-developer must submit a Development Agreement or Memorandum of Understanding which describes the payment of developer fees and development duties to be performed by each party. Emerging developers must partner with an experienced party (see Appendix P for definitions).

WHEDA will complete a background check on any individual holding ownership within the managing member/general partner. Any individual found to have unpaid taxes or child support in Wisconsin will not be eligible for an HTC award, disqualifying the project. Nonprofit organizations are exempt from this requirement. WHEDA will also evaluate all applicants for prior instances of noncompliance or unsatisfactory performance in the Housing Tax Credit Program. WHEDA will notify applicants with compliance or performance issues that they are at risk of negative points or not being eligible to apply in future cycles in accordance with the "Noncompliance and Nonperformance" section"

Management agents listed on any HTC application must be certified by WHEDA, appear on the list of Approved Management Agents for the HTC Cycle year in which the Credit application is submitted, and be retained by the ownership entity for at least five (5) years after the placed in service (PIS) date (unless WHEDA approves a written request to change).

All contractors doing work related to a Project (including general contractors, subcontractors and sub-subcontractors) must be registered with, and have all licenses and certifications required by, the State of Wisconsin.

## Scoring Categories

Detailed scoring criteria, instructions and tie-breakers are located in Appendix C.

Scoring Category	Max Points
Areas of Opportunity	30
Lower Income Areas	2
Tribal, Rehabilitation & Neighborhood Stabilization, or Counties without Recent Awards	25
Job Centers/Growth	16
Serves Large Families or Seniors	5
Serves Lowest Income	10
Section 811 PBRA	10
Veteran Housing	3
Energy Efficiency & Sustainability	25
Universal Design	13
Eventual Tenant Ownership	1
Land Donation and Other Support	10
Building Amenities	2
Below-Market Financing	20
Developer Team	6
Site Characteristics	2

## Competitive Housing Tax Credit Application and Allocation Process

### Availability of Credit and Award Limits

WHEDA will allocate the 9% Federal Credit and State of Wisconsin Housing Tax Credit in a single annual competitive application cycle and referred to collectively as the Competitive Credits.

In the event that WHEDA does not receive a sufficient number of qualifying applications to fully-utilize the available Credit, it may accept additional applications and/or roll-over unawarded HTCs to the following year.

A developer may receive up to two Competitive Credit awards in any year and in any combination of 9% or State HTCs.

If there is a developer and a co-developer, the limit on number of awards will count for both. WHEDA may treat developers, co-developers, and consultants having an Identity of Interest or otherwise as a single developer if the structure is intended to circumvent the annual limit to a developer.

WHEDA will award no more than 15% of the Competitive Credits to projects that rehabilitate existing rental housing unless it receives insufficient eligible New Construction applications.

WHEDA will make no more than the following awards of Competitive Credits:

- two 9% Awards and one State credit award in any Metro County, and
- one 9% and one State award in any Non-Metro County

unless it receives insufficient applications. Awards to projects owned by a Tribe will not count against the county limits.

The maximum amount of 9% Credit WHEDA will allocate to any project is \$1.4 million. The maximum amount of State Credit is \$1.4 million.

## Set-Asides

WHEDA will target the Competitive Credits in two geographic Set-Asides:

Metro: Brown, Dane, Kenosha, Milwaukee, Racine, and Waukesha Counties; 45% of Competitive Credits

Non-Metro: all remaining counties; 55% of Competitive Credits

WHEDA may elect to shift 9% Credits between set-asides to award the last application.

If necessary, WHEDA will make adjustments to ensure at least 10% of the 9% Credit being awarded to projects:

- involving qualified nonprofit organizations, and
- that rehabilitate existing rental housing.

Specifically, HTCs that would have been awarded to the lowest ranking project(s) that do(es) not fall into one of these categories will be awarded to the next highest-ranking project(s) that do(es) until the overall allocation(s) reach(es) the necessary percentage(s). WHEDA may make such adjustment(s) in any set-aside.

## Innovative Set-Aside

WHEDA will reserve \$2.4 million of the 9% Credit for the 2027 Innovative Set-Aside for one Metro and one Non-Metro project that demonstrate innovative methods in reducing the cost of development. WHEDA will calculate the Credit available in the Geographic Set-Asides excluding this amount, and the awards will not count against the county limit.

## Calculation of Credit and Boost

WHEDA determines the amount of Credit reserved through information received and the amount requested in the application. The actual reservation amount might not equal the dollar amount requested in the application.

WHEDA will publish its “HFA and QCT boost policy” annually subject to market conditions and project feasibility.

**Considerations for the State of Wisconsin Housing Tax Credit**

- The Wisconsin HTC has a six-year credit period and includes a preference for properties located in a city, town or village with a population of 150,000 or less and a goal of awarding at least 35% of credits to projects located in a city, town or village with a population of 10,000 or less and that is at least 10 miles from any city, town or village with a population of 50,000 or more.
- For the state HTC, the development is placed in service in the taxable year in which the last building of the qualified development is placed in service.

WHEDA will provide necessary allocation and compliance monitoring information to the Wisconsin Department of Revenue.

For certain geographic areas, the Tax Credit Percentage Rate for the purposes of sizing the State Portion of the Annual Credit Amount may be designated at a rate that exceeds that of the 4% Credit, which will be published annually in Appendix D – Underwriting Criteria.

**Considerations for the Federal 4% Credit Paired with the State of Wisconsin Housing Tax Credit**

The State of Wisconsin Housing Tax Credit must be paired with the Federal 4% Credit.

WHEDA will cap the State Credit allocation at the time of Reservation but the Federal 4% Credit may float until issuance of Form(s) 8609.

WHEDA will prioritize TE Bonds for projects using the State Credit.

**9% Credit and State + Federal 4% Credit Application Cycle Timelines**

The cutoff for the Due Dates below is 5:00 p.m. Central time. If a project is at risk of meeting the 9% Placed in Service Deadline, and the development team makes a formal request for a credit refresh, the Developer will receive a two year ban from participating in the tax credit program (9%, State, and Federal). Milestone	Due Date (2027 Cycle)	Due Date (2028 Cycle)
Project Concept Submission	November 2, 2026	November 1, 2027
Project Concept Submission List Published	November, 2026	November, 2027
Full Application Submission	February 5, 2027	February 4, 2028

Announcement of Awards (Est)	April, 2027	April, 2028
Application Two Submission (Est)	October, 2027	October 2028
10% Test Deadline (9% Credit Only) (Est)	September, 2028	September, 2029
Mandatory Construction/Rehabilitation Start (State + Federal Credit Only)	July 31, 2026 with extension options outlined herein	July 31, 2027 with extension options outlined herein
Placed in Service Deadline (9% Credit Only) <sup>1</sup>	No later than December 31, 2029	No later than December 31, 2030
Notification of PIS to WHEDA	Due within 30 days of PIS date	
Application Three Submission (8609)	Due within 180 days of PIS date	

**Project Concept Process**

Applications for Competitive Credits must submit a Project Concept proposal. .

**Project Concept Submission Requirements**

A complete set of submission requirements located on WHEDA’s website and includes:

- Project narrative
- Proposed unit mix and population target
- Site control
- Development Team overview and experience forms

**Project Concept Review Process**

A complete set of evaluation criteria is located on WHEDA’s website and includes:

- Development Team eligibility
  - WHEDA will notify Applicants of findings that impact their eligibility or Developer Team Score and provide their score prior to submission of full applications.
  - WHEDA will verify status for nonprofit-led projects
- Location-based threshold and scoring criteria
  -
- Distribution of projects among markets: WHEDA may eliminate projects if a market is overrepresented in the Project Concept stage.

**Project Concept Submissions**

WHEDA will publish a list of submitted applications and also may provide additional information, such as final scores for information submitted. WHEDA will notify applicants if a project or developer is ineligible. Full Application Process

Eligible applicants may submit a Full Application.

### Full Application Submission Requirements

A complete set of submission requirements is located on WHEDA's website.

- Complete Multifamily Application (MFA) workbook
- All applicable items from the Threshold and Scoring Checklists located within the MFA
- Appendices relevant to the application

### Full Application Review/Selection Process

WHEDA will review all applications for completeness, including, but not limited to, the following:

- The application contains all applicable items on the Threshold and Scoring Checklists.
- The development meets the basic occupancy and rent restrictions of Section 42 of the Code.
- The organization applying for the Credit will have an ownership interest in the development unless the development is Public or Tribal Housing Authority.
- The development team is the same as listed in the Project Concept submission.
- Environmental issues or administrative proceedings do not exist that would adversely affect the ability to timely proceed.

WHEDA may allow a pre-defined 5-day period during the competitive application review period to cure administrative deficiencies of application materials solely identified by WHEDA.

WHEDA will complete the following steps to determine eligibility and order of funding of eligible applications:

1. Rank applications by applicants' self-score with the addition of WHEDA's assigned Development Team score within each set aside.
2. Review applications for satisfaction of all threshold and scoring requirements in order of highest to lowest score until credits are fully allocated while also meeting legislative requirements.
3. WHEDA may then allocate any remaining Credit based on availability of credit and alignment with the Objectives of the QAP.

WHEDA will notify the appropriate public official having local jurisdiction of the proposed development location and solicit comments.

### Announcement of Awards

WHEDA will notify applicants of its determination.

Full Applications that do not receive an award may be eligible to receive a future allocation if more Credit becomes available during the calendar year. WHEDA will select these recipients through a combination of score, availability of Credit, and WHEDA's selection process.

### Reservation of Credits

WHEDA will issue a letter reserving the determined Competitive Credit amount to qualifying applicants shortly after the announcement of awards. Recipients will have ten (10) calendar days to accept the Reservation of Credit by returning an executed Reservation Agreement and paying the Reservation Fee.

An applicant may not transfer Credit to another development or another development site. WHEDA will not allow changes to the development after the reservation letter has been issued without its written approval.

## Application Two Process

No later than 180 days after the date of the Reservation issuance WHEDA will review financial feasibility and revised costs based on information provided by the applicant to determine the appropriate amount of Credit to be allocated. Refer to the applicable checklist for a complete list of required items.

If any items are incomplete or otherwise do not meet the stated requirements, WHEDA may request updated information or require the assessment an extension fee in accordance with the “Tax Credit Allocation Fees and Extension Policies.”

### Issuance of Allocation Documents

Owners will have ten (10) calendar days to accept the Carryover or Tier One Agreement by returning an executed Agreement and paying the required fee. WHEDA will make extensions available in accordance with the “Tax Credit Allocation Fees and Extension Policies.”

### 10% Test Submission requirements

The owner must submit a third-party accountant’s review certifying that the required 10% expenditure has been incurred, or is likely to occur. Refer to the applicable checklist for a complete list of required items.

## Construction/Rehabilitation Start Deadline – State

WHEDA will require evidence that construction/rehabilitation of the property is underway by July 31 of the calendar year following the year of the initial State HTC awards. If a project is at risk of meeting the Construction/Rehabilitation Start deadline, the project may receive three (3) one-month extensions with the payment of the applicable fee. If the project is unable to meet the extended Construction/Rehabilitation Start deadline, the developer may elect to keep the award for six (6) additional one-month extension periods with the payment of a fee provided the developer will receive a two year ban from participating in the tax credit program (9%, State, and Federal) for any extensions be utilized beyond the initial three (3) months. WHEDA will revoke an award if the project does not meet the Mandatory Construction/Rehab Start deadline with nine months of extensions.

### Submission requirements

WHEDA will require submission of the following to evidence construction start:

- An executed AIA from 102 Cost-Plus Guaranteed Maximum Price construction contract and a notice to proceed, if applicable, for the full scope of the project .
- Evidence of satisfaction of Appendix L – Construction Signage.
- A fully executed Partnership Agreement with the tax credit investor evidencing that the investor has entered the partnership.

- Evidence of closing on the tax exempt bond financing.

## Placed in Service (PIS) Notification

WHEDA will require notification that the project has placed in service as evidenced by submitting a Certificate of Occupancy within 30 days of the project placing in service. Architect's Certificates of Substantial Completion are acceptable in lieu of a Certificate of Occupancy only when municipalities do not issue occupancy permits.

## Application Three Process

WHEDA will conduct the third and final review after the development has been placed in service. Owners must submit an application for final allocation within 180 days of the project's placed in service date or the latest PIS date for projects with two or more Building Identification Numbers.

WHEDA will not make a final allocation of Credit until (1) the development building(s) has/have been placed in service, and (2) the applicant provides all items on WHEDA's 8609 Submission Checklist.

### Submission requirements

Refer to the Final (8609 Submission) Review Checklist for required items to be submitted. The Application Workbook should be updated in its entirety including, but not limited to, ownership entity and property manager information, final development cost, financing terms, and actual rents and operating expenses.

### Review Process

WHEDA may deduct points within the Project Team scoring category on subsequent HTC applications based on developer/applicant noncompliance, which will take effect the next time the Project Team applies. WHEDA may withhold final Allocation Documents until deficiencies have been remediated or penalties issued or bar participation in the HTC programs for those development team members with noncompliance violations.

### Issuance of Allocation Documents

Upon receipt, review and acceptance of all required materials, including the recorded LURA(s), WHEDA will issue completed IRS Form(s) 8609 and a Wisconsin Low-Income Housing Credit Allocation Certificate for the State Credits.

## Applications for Additional Credit and Partial Allocations of Credit

### Competitive Applications for Additional Credit

Developers may compete for an Allocation of Additional Credit with all other applications submitted in the selected Set-Aside. Such applications may not include a Total Developer Fee or amount of Developer Fee Received higher than the amount established at the approval of the Carryover or Tier One application. A competitive Allocation will count toward applicant's award limit, but not a county's.

### Partial Allocations of Credit

WHEDA may make a partial Competitive Credit award if an allocation is returned or would expire if not allocated before the end of the year and for other reasons determined by WHEDA.

An application for the remainder of a partial award in a subsequent year not exceeding the original request will not compete with other applications but meet threshold requirements (including the minimum score threshold).

Completion of a partial allocation of Credit will not count toward the applicant's or the county's award limit.

## Noncompetitive Housing Tax Credit Application and Allocation Process

### Availability of Credit and Tax-Exempt Bonds

WHEDA will accept applications for TE Bonds after the conclusion of the competitive HTC application cycle and following WHEDA's announcement of volume cap availability to support the Noncompetitive Housing Tax Credit cycle, on a rolling basis until the TE Bonds have been exhausted or until the conclusion of the cycle on October 31. Owners must execute Reservation Agreements and pay Reservation Fees no later than December 31 of the year in which the Reservation Agreement is issued.

WHEDA will commit TE Bonds and loans following full review and approval process (including payment of required deposit) which must be in place no later than April 1 of the year after which the Reservation Agreement is issued. These transactions must execute a bond commitment pursuant to the timeline that aligns with the Application 2 submission deadline established under each transaction's Reservation Agreement.

### Calculation of Credit and Tax-Exempt Bonds

#### 4% Credit

WHEDA determines the amount of Credit reserved through information received and the amount requested in the application. The actual reservation amount may not equal the dollar amount requested in the application.

Applicants requesting Acquisition Credit must provide an "as-is" market value appraisal no more than 12 months old conducted by a third-party appraiser certified in Wisconsin.

#### Tax Exempt Bonds

WHEDA will limit new Tax Exempt Bond volume cap per project to the higher of:

1. 30% of the property's expected Aggregate Basis or
2. Permanent supportable debt, not to exceed 55%

For any Tax Exempt Bond amount over 30% of the expected Aggregate Basis, WHEDA may substitute refunding Tax-Exempt bonds for new volume cap.

### Federal 4% Credit Application Cycle Timelines

Projects using the 4% Credit will follow the review process and due dates as described below:

Milestone	4% Credit Due Date (2027 Cycle)	4% Credit Due Date (2028 Cycle)
Announcement TE Bonds Available for 4% Credits	May 2027	May 2027
Initial Application Period (Combined Application for 4% Credit and TE Bonds)	May 2027 – October 31, 2027	May 2028 – October 31, 2028
Reservation of 4% Credit and TE Bonds (Est.)	30 days after receipt of complete Initial Application	
Application Two Submission (to secure Tier One Agreement)	180 days after issuance of Reservation	
Construction Start Deadline	The date established by the tax exempt bond financing commitment issued by WHEDA and accepted by the Borrower.	
Placed in Service Notification	Due within 30 days of PIS date	
Application Three Submission (to secure Form 8609)	180 days after Placed in Service Date	

**Initial Application Process**

Submission Requirements

To be eligible for a reservation of 4% Credit and TE Bonds, applicants must submit a complete application that meets all HTC Threshold requirements and documentation to receive a minimum score.

Review/Selection Process

WHEDA will send a Cure Letter if any portion of the application is found to be missing or deficient. Applicants will have 5 business days to satisfy all items identified in the Cure Letter or WHEDA will reject the application.

Reservation of Credits and Bonds

WHEDA will issue a letter reserving the determined Credit and Bond amount to qualifying applicants. An applicant may not transfer Credit to another development or another development site. WHEDA will not allow changes to the development after the reservation letter has been issued without its written approval. Increases in the amount of Tax-Exempt Bonds after initial reservation will be limited to no greater than 15%, with such increases only permitted to ensure projects will meet the 25% test, the need for which was due to non-discretionary issues.

**Application Two Process**

Submission Requirements

The Second Application will be due within 180 days after issuance of the Reservation of Credit. If all extensions are exhausted and the deadline can't be met, WHEDA will terminate the Reservation.

A checklist of complete submission requirements is located on WHEDA's website.

Tax Exempt Bonds must be committed by WHEDA (Commitment Executed and fee paid) prior to the submission of the Second Application.

Credits may increase from Reservation subject to changes in the eligible basis and equity gap analysis.

### Issuance of Documents

If the second evaluation is in order, WHEDA will issue a Tier One Letter. Recipients will have ten (10) calendar days to either accept by returning an executed Agreement and paying the Tier One Fee or request an extension in accordance with the "Tax Credit Allocation Fees and Extension Policies."

### Construction Start Deadline

WHEDA will require evidence that construction/rehabilitation of the property is underway by the closing date established in the tax exempt bond financing commitment issued by WHEDA and accepted by the Borrower. The same Mandatory Construction/Rehabilitation Start policies for Competitive Credits (including fee payment, being banned, and revocation) also apply to TE Bond projects. Applicants who fail to do so will be ineligible to apply for a new allocation of HTCs without written approval by WHEDA.

### Submission requirements

WHEDA will require submission of the following to evidence construction start:

- An executed AIA from 102 Cost-Plus Guaranteed Maximum Price construction contract and a notice to proceed, if applicable, for the full scope of the project.
- Evidence of satisfaction of Appendix L – Construction Signage.
- A fully executed Partnership Agreement with the tax credit investor evidencing that the investor has entered the partnership.
- Evidence that the tax exempt bond financing has closed.

### Placed in Service Notification

WHEDA will require notification that the project has placed in service by submitting a Certificate of Occupancy within 30 days of the project being placed in service. Architect's Certificates of Substantial Completion are acceptable in lieu of a Certificate of Occupancy only when municipalities do not issue occupancy permits.

### Application Three Process

WHEDA will conduct the third and final review after the development has been placed in service. Owners must submit an application for final allocation within 180 days of the project's Placed-in-Service date or the latest Placed-in-Service date for projects with two or more Building Identification Numbers.

WHEDA will not make a final allocation of Credit until (1) the development building(s) has/have been placed in service, and (2) the applicant provides all items on WHEDA's 8609 Submission Checklist.

## Submission Requirements

Refer to the Final (8609 Submission) Review Checklist for required items to be submitted. The Application Workbook should be updated in its entirety including, but not limited to, ownership entity and property manager information, with final development cost, financing terms, and actual rents and operating expenses.

## Review Process

The above requirements must be submitted in an acceptable form to WHEDA. WHEDA will complete a site visit to verify all representations made in the 8609 Submission and to verify delivery of all threshold criteria and scoring representation.

WHEDA may deduct points within the Project Team scoring category on subsequent HTC applications based on developer/applicant noncompliance on tax credit awards. The penalties will apply during the next application cycle(s) in which the Project Team member submits. WHEDA may withhold final Allocation Documents until deficiencies have been remediated or penalties issued or bar participation in the HTC programs for those development team members with noncompliance violations.

## Issuance of Allocation Documents

Upon receipt, review and acceptance of all required materials, including the recorded LURA(s), WHEDA will issue completed IRS Form(s) 8609.

## Noncompliance and Nonperformance

WHEDA will review the compliance history and overall performance of members of the development team, which includes 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. WHEDA may impose penalties if any of the development team members are found to have:

- 1) Submitted information to WHEDA that is found to be inaccurate or 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 meet all required program deadlines;
- 3) Returned an allocation of Credit after Application Two has been approved or returned an allocation of Credit for two or more allocations at any time after the Reservation of Credit has been accepted in the previous five calendar year period(s);
- 4) Not made satisfactory progress on existing allocations or failed to complete and maintain any element of construction or improvements represented in the application through the end of the Extended Use Period;
- 5) Been issued an IRS form 8823 with line 11(p) marked as “out of compliance”;
- 6) Is determined to have outstanding fees or compliance reports;
- 7) Failed to communicate operational commitments to management agent including but not limited to unit mix and commitments to supportive housing or veteran units;

8) Use of Management Agents that do not meet compliance standards.

Penalties may result in any member of the development team being:

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

If WHEDA at any time has reason to believe that the development:

- will not be placed in service in a timely fashion;
- fails to comply with the requirements for a Carryover Allocation;
- is not in compliance with Section 42 of the Code; or
- that the application contains misrepresentations,

WHEDA may revoke the Credit allocation.

## Strategic Business Program

The WHEDA Strategic Business Program (formerly known as the Emerging Business Program) encourages contracting with economically disadvantaged businesses and union contractors. The participation goals are located in the Strategic Business Program Manual and can be found on WHEDA’s website.

The Strategic Businesses dollar goals (established by county) are based on percentages of allowable construction cost to include (not an all-inclusive list): general contracting, grading, excavation, concrete, paving, framing, electrical, carpentry, roofing, masonry, plumbing, painting, asbestos removal, trucking, and landscaping and the following soft costs: planning, architectural, and engineering fees.

Developers of Tax Credit developments in these counties who meet the Strategic Business participation goals are eligible to receive a refund of one-third (33%) of their Reservation fee. Developers must report their results to WHEDA in conjunction with their Form 8609 documentation.

Please refer to the 2025-2026 QAP Strategic Business Program Manual for a complete overview of the Strategic Business program and requirements.

## Tax Credit Allocation Fees and Extension Policies

WHEDA will charge non-refundable fees for filing, reviews, extensions, and document revisions as follows. These fees must be paid in full via ACH wire by 5:00 p.m. Central no later than the due date before further processing. Allocation documents such as Reservation Agreements, Carryovers, Tier One Letters and Forms 8609 will not be considered valid without payment of the required fees. These fees apply to activities in the calendar years for this QAP and will be applied regardless if the Initial Application was submitted previously.

### HTC Project Concept Application Fee

\$500 is due with Project Concept submission. The payment of this fee will be applied to the payment of the Full HTC Application Fee.

### HTC Application Fees

24 units or fewer:	\$1,000
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Over 24 units:	\$2,000
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### Reservation Agreements, Carryover Agreements, Tax-Exempt Tier One Agreements, and 8609s

Reservation Agreement	5.0% of the annual Credit amount per Agreement  0.25% of total Tax-Exempt Bond Volume Cap for all projects using TE Bonds (or no greater than \$40,000). Fee will be applied to total Loan Structuring Fee due upon execution of Bond Commitment Letter.
Carryover Agreement/Tier One Letter	5.0% of the annual Credit amount per Agreement
8609s	\$500 plus \$100 per 8609 issued (limited to a maximum of \$2,500)

### Fees for Document Reissuance

Document	First Reissuance	Each Subsequent Reissuance
Reservation	\$500	\$1,000
Carryover/Tier 1 Letter	\$500	\$1,000
8609(s) –Each 8609 form (not to exceed	\$250/ea	\$500/ea
Amended Carryover Agreement	\$1,000	\$2,000

### Fees for Time Extensions and/or Incomplete Application Packages (30 day minimums. Not pro-rata)

Carryover /Tier 1 Application (Review 2)	1.00% of annual Credit reserved per 30-day extension – maximum of three extensions provided that the carryover application must be submitted no later than November 30 <sup>th</sup> of the calendar year of the allocation
10% Test	1.00% of annual Credit allocated for a 30-day extension – maximum of one extension
Mandatory Construction Start Date	1.00% of annual Credit allocated for a one month extension
8609 Application (Final Application)	\$1,000 for each 30-day period if not received within 180 days of the placed in service date or the latest placed in service date for projects with more than one building identification number

## Initial Compliance Fee (Payable after 8609 issuance)

The Initial Compliance Fee is a one-time fee payable after 8609 issuance. For developments of 15 or fewer units the fee is \$800.00. For developments of 16 or more units, the fee is \$55.00 per unit with a maximum of \$5,000.00.

## Initial 15 Year Compliance Period and Extended Use Period (Electronic Unit Status Report Submission)

WHEDA Financed	\$30.00 per unit annually
All Other	\$45.00 per unit annually

If a required submission is not returned by the deadline noted in the document, the Applicant must pay the required extension fee established in this document by the submission deadline. Regardless, WHEDA will not process any documentation or other matters for developers with an outstanding balance of fees owed. WHEDA may revoke the Credit if the fees are not paid by the deadline. If no further extensions are available, WHEDA will revoke the Credit.

## Administration of, and Modifications to, and Interpretations of the QAP

WHEDA's Members Loan Committee may amend this Plan from time to time to implement policy or program changes.

WHEDA staff may amend this Plan to implement administrative changes, make clarifications and technical corrections, and conform the Plan to the requirements of the Code.

WHEDA's Board Members may, notwithstanding anything in this Plan to the contrary, allocate Credit to developments irrespective of points scored, if the allocations are: in compliance with the requirements of the Code; in furtherance of the housing priorities stated herein; and determined by the Board to be in the best interests of the citizens of Wisconsin.

In developing this Plan, WHEDA considered the Wisconsin Consolidated Plan as well as its experience in creating affordable housing throughout Wisconsin.

WHEDA's review of documents submitted in connection with this allocation is for its own purposes. By allocating the Credit, WHEDA makes no representations to the applicant, owner, or any other entity regarding adherence to the Code, Treasury regulations, or any other laws or regulations governing the Housing Tax Credit.

No member, officer, agent, or employee of WHEDA shall be personally liable concerning any matters arising out of, or in relation to, the allocation of the Credit. WHEDA reserves the right to revoke Credit in the case of misrepresentations made to WHEDA by any member of the development team.

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 WHEDA's discretion.

## Compliance Monitoring Procedures

WHEDA's compliance monitoring process is outlined in the HTC Compliance Manual and the Compliance Policy for Extended Use Period, which are provided at [www.wheda.com](http://www.wheda.com) and incorporated herein by reference. Applicants should review the HTC Compliance Manual and Compliance Policy for Extended Use Period to understand all restrictions and obligations that must be followed, including but not limited to the following:

- Rent charged to existing tenants (excluding households receiving rental assistance) may not increased by more than 5% annually, including due to changes in utility allowance calculations.
- WHEDA may approve waivers by following the request process on WHEDA's website.

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## Ancillary Documents

### Appendices

Appendix A – Market Study Guidelines

Appendix B – Nonprofit Eligibility

Appendix C – Selection Criteria

Appendix D – Underwriting Guidelines

Appendix E – [reserved]

Appendix F – Maximum Cost Model

Appendix G – WHEDA Multifamily Capital Needs Assessment

Appendix G1 – Developer Scope of Work – Required Format

Appendix H – Electronic Application Submission and Communication Instructions

Appendix I – Utility Allowances

Appendix J – [reserved]

Appendix K – Certified Rent Roll Requirements

Appendix L – Construction Signage

Appendix M – WHEDA Housing Tax Credit Design Requirements

Appendix N – Submittal Requirements for Developments with HUD Financing

Appendix O – Rural Development Submittal Requirements

Appendix P – [reserved]

Appendix Q – Identity of Interest

Appendix R – [reserved]

Appendix S – Section 811 PRA Units

Appendix T – [reserved]

Appendix U – [reserved]

Appendix V – [reserved]

Appendix W – Energy Efficiency and Sustainability

### Multifamily Application Workbook

Excel Multifamily Application Workbook

## Application Checklists

Project Concept Submission Checklist

Full Application Submission Checklist

Application Two Checklist

Construction Start Checklist

10% Test Checklist

Application Three (8609 and State of Wisconsin Low Income Housing Tax Credit Allocation Certificate)  
Checklist

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