



Date: December 7, 2012

To: LIHTC Development Community

From: Wyman Winston, Executive Director

Re: Modification of 2013-14 Qualified Allocation Plan
High Impact Project Reserve-Special Round

WHEDA has modified the Qualified Allocation Plan regarding submittal dates and selection criteria for the 2013 LIHTC "High Impact Reserve Project". The High Impact Project Reserve represents 7% of WHEDA's Competitive Credit pool and will be used to fund a project, outside of the normal scoring round, which has "high impact characteristics".

The High Impact Project Reserve (HIPR) will be awarded in a special LIHTC round in 2013.

There will be two ways to apply for a HIPR award.

A. All Competitive Credit applicants applying in the normal Competitive round (applications due February 1) may submit materials which support how their project might meet the High Impact criteria. Unsuccessful applicants in the normal round will have their submitted HIPR materials reviewed for the HIPR award.

B. In addition, new Competitive Credit applications may be submitted solely for the High Impact Project Reserve between July 15, 2013 and July 30, 2013.

WHEDA intends to make an award in September 2013 from the combined pool of applications described above.

The attached Modification #1 to the 2013-14 QAP explains in detail the changes to the High Impact Project Reserve.

Thank you for supporting Wisconsin affordable housing.

**Modification #1
to Low Income Housing Tax Credit 2013-14 Qualified Allocation Plan
for the State of Wisconsin**

December 7, 2012

High Impact Project Reserve (HIPR)

Section IV of the Low Income Housing Tax Credit 2012-14 Qualified Allocation Plan for the State of Wisconsin (**QAP**) allows the Executive Director of Wisconsin Housing and Economic Development Authority (**WHEDA**) to make modifications to the QAP which are deemed necessary to facilitate the administration of the Low Income Housing Tax Credit (**Credit**) program or to address unforeseen circumstances. The Executive Director has made that determination and now issues this modification to the QAP.

QAP Section II. A. 6. "High Impact Project Reserve" is deleted in its entirety and replaced with the text below.

6. High Impact Project Reserve. Seven percent (7%) of the State housing per-capita Credit will be reserved to fund a project which has "high impact characteristics". An applicant must submit a separate letter to WHEDA, along with their LIHTC application, no more than two pages in length, describing the project's match to the criteria below. Such letter may reference websites for support. Such submittals may include up to five support letters.

(a) The applicant must describe how the High Impact Project:

- 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. (0-20 points based on clarity, sustainability, number of jobs)
- Benefits from a financial support commitment of at least 5% of the total development cost from an employer, a not-for-profit entity, or government body. (0 to 20 points based on amount of financial support, strength of commitment(s))
- 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. (0 to 20 points based on clarity, strength of support, integrated plan)
- 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 (0 to 20 points based on scarcity of affordable housing, deterioration of housing stock, or severity of foreclosure impact)
- Will exceed the minimum required participation for WHEDA's Emerging Business Program and Workforce Development Program for the property's location. In addition, the applicant will describe how it will incorporate the use of organizations to hire local workers, to train chronically unemployed or underemployed individuals, address skills gaps, and/or provide employment opportunities to those who have difficulty succeeding in the workplace. (0 to 20 points based on clarity, hiring projections, partner strength and commitment)

(b) There are two ways to apply for HIPR.

(i) All Competitive Credit applicants applying in the normal Competitive round (applications due February 1) may 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.

(ii) In addition, new Competitive Credit applications may be submitted solely for the High Impact Project Reserve between July 15, 2013 and July 30, 2013. Electronic Applications will be accepted via the WHEDA's online application system between **July 15 and July 30, 2013 (5:00 p.m. CST)**. Special Round electronic applications must be submitted NO LATER THAN 5:00 p.m. **July 30, 2013**. 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 30, 2013**. Overnight deliveries must be submitted to the delivery service by **July 30, 2013**. If hand-delivered, the submission deadline is **July 30, 2013** at 5:00 p.m. Applications must be mailed or delivered to WHEDA's Madison office.

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

(d) WHEDA will post the list of applicants, and the award, on its website.

(e) Selection: WHEDA intends to select one application which in its sole judgment scores the highest using both the normal 2013 LIHTC scoring criteria and the HIPR scoring criteria shown above.

(f) Award: The award is expected to be made by mid-September, 2013. 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.

(g) Credit requests must not exceed \$850,000.

(h) Applications from any Set Aside (General, Rural, Nonprofit, etc.) are eligible for the HIPR award.

(i) 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 any given year.

Unused Credit remaining in any Set-Aside, after fully funding developments ranked by score, shall be allocated at WHEDA's discretion.

Wyman B. Winston, Executive Director