

Idaho Housing and Finance Association

LIHTC-HOME-HTF

Reservation/Conditional Commitment Application Documents Instructions & Checklist

Revised (01/2024)

Please submit all of the application documents listed below to the 'Developer Application Submission' folder in the 'Reservation/Conditional Commitment Application' of your project on the Procorem platform. **APPLICATIONS WILL BE ONLY ACCEPTED ELECTRONICALLY.** Please contact IHFA using the contact information below at least one week prior to any competitive deadline to set up access to Procorem; training will be available if requested. All documents need to be saved with the following naming convention: Document Number – Application Year – Document Description – Project Name; e.g. "01-2024-LIHTC-HOME-HTF Application-Project Name". Please ensure the Project Name is added to each file name and that only the Project Name portion of the file name is changed for files supplied by IHFA. Please utilize the supplied forms (files 01-07), and submit relevant documents for the remaining required files. Any forms supplied by IHFA requiring signatures need to be digitally signed in the form, or a scan of a physically signed file needs to be uploaded. All files, as applicable, need to be submitted at the time of application; incomplete applications without prior approval for missing components will be subject to rejection. For programs requiring the same certification, duplicate certificates do not need to be submitted.

Questions regarding the LIHTC Program:

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Questions regarding the HOME or HTF Programs:

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LIHTC – Competitive Reservation or Bond Conditional Commitment

01. LIHTC-HOME-HTF Application

02. Selection Criteria & Preference Points Self Score

Please include certifications or other documentation to warrant selection criteria/preference points. Points will not be counted without adequate documentation.

03. Previous Participation Certificate for Sponsor/Owner

04. Previous Participation Certificate for Developer

05. Previous Participation Certificate for Property Management Agent

06. Affirmative Fair Housing Marketing Plan

07. Sponsor Certification

08. Letter(s) of Interest or Commitment(s) from proposed construction and permanent lender(s)

Documents need to identify and outline all relevant specific terms of the loan(s), as applicable, including rates, term, amortization period, all relevant fees and costs, structure, required reserves, debt coverage covenants, loan-to-value requirements, and bond-specific terms (for tax-exempt bond financed projects) either being offered or proposed. This list may or may not be complete depending on the specific conditions of the project; IHFA may require, at its sole discretion, additional documents or clarifications.

09. Letter of Interest for Equity Provider for the investment of all required equity and loan funds in the development.

Documents need to identify and outline all relevant specific terms of the equity contribution, as applicable, including pricing, costs/management fees, structure, equity injection schedule, required reserves, debt coverage covenants, and Average Income Test (AIT) requirements either being offered or proposed. This list may or may not be complete depending on the specific conditions of the project; IHFA may require, at its sole discretion, additional documents or clarifications.

10. Calculations or explanations for estimated construction loan interest, required reserve amounts, or unusual fees that are included in total development costs

11. Documentation regarding the terms and conditions of any proposed subsidies, donations, or grants

This includes any grants provided to the project by any other Federal or State agency (e.g. CDBG or Section 8 vouchers).

12. Documentation substantiating utility allowance calculations

13. 30-year pro forma

14. Basis Boost Documentation

If a request for the state-determined basis boost is included in the application (QAP Section 5.6), a detailed narrative that includes comprehensive reasoning and justification to support that the development resides within an eligible area is required to be given consideration by the Association for the boost. Please note, Bond projects are not eligible for state basis boosts.

15. Narrative description of the development

16. Market Study and Feasibility Documents

A current (no more than 6 months old) Market Study is required which recommends and justifies the overall market area demand for the proposed rental units. Sponsors will be required to obtain their market study from a provider who is listed on the Association's approved market study provider's list. See QAP Exhibit H for Market Study Requirements

A supplementary Market Study Information Sheet is also required at submission. Please see QAP Exhibit H-2 for an example of the form to be included with applications.

17. Legal description
18. Location map
19. Sketch plan of site, typical unit layout, building elevations
20. Evidence of initial site control (purchase agreement, option, etc.)
21. Written confirmation from the municipality zoning authority that the proposed use is within the parameters of existing conforming zoning designations. (QAP Section 4.9.2)
22. Résumés for Sponsor(s)
23. Résumé for Developer(s)
24. Résumé for General Contractor
25. Résumé for Property Management Agent
26. Résumé for Consultant; if applicable
27. Nonprofit Corporation – Articles of Incorporation
28. Nonprofit Corporation – IRS confirmation of status
29. Affirmatively Furthering Fair Housing Resolution from the local municipality where the proposed development is to be located
30. The local jurisdiction's most recent Fair Housing Assessment Plan or Analysis of Impediments to Affirmatively Further Fair Housing as submitted and reviewed by the State of Idaho's CDBG Program (Department of Commerce); or a Fair Housing Assessment Plan completed by the local jurisdiction, that meets the requirements of the State of Idaho's CDBG Program
31. Application Fee

Additional Documents for Acquisition Credit Applications

32. CPA or legal opinion letter from a provider with tax credit expertise stating that the 10-year rule requirements have been met or that an IRS waiver is appropriate

CPA or legal opinion letter is not required if the acquired property is substantially financed, assisted, or operated under Section 8 of the United States Housing Act of 1937; Section 221(d)(3), 221(d)(4), or 236 of the National Housing Act; Section 515 of the Housing Act of 1949; any housing program administered by HUD or the Rural Housing Service of the Department of Agriculture; or any other similar state housing programs
33. Current (6 months or less) independent third party MAI appraisal* that includes both an “as is” restricted market value and an “as is” unrestricted market value (net of appraiser-recommended repairs) of the existing development with land value broken out separately

*An update will be allowed up to 6 months after the original appraisal date; although in no instance will the Association accept an appraisal beyond 12 months of the original date
34. Documentation that details the dollar amount of any operating and/or replacement reserves that will be transferred with the purchase of the property

Additional Documents for Rehabilitation Credit Applications

35. Three (3) years of the most current financial statements for the existing development and a current year-to-date operating statement

36. An architect's preliminary certification indicating that the development will, when rehabilitated, provide decent, safe, and sanitary dwellings which meet all applicable local, state, and federal laws including Fair Housing Laws and the American's With Disabilities Act and local building codes

37. A plan for covering the costs and logistics of displacement for all persons impacted by the rehabilitation

38. If applicable, a letter of acknowledgement and/or commitment from the provider (HUD, USDA RD, etc.) that the current rental assistance will continue in force, or be extended for a given period of time. The letter needs to include the maturity date of contract/subsidy and rental assistance amount

39. Current (no more than 12 months old) Level I Environmental Report conducted by a professional firm approved by the Association

40. If the development was built prior to January 1, 1978, a current (no more than 12 months old) Lead-Based Paint Risk Assessment conducted by an Environmental Protection Agency (EPA)-Certified Risk Assessor

Exemptions from this requirement match those contained in HUD's Lead Safe Housing Rule – CFR Title 24-Subtitle A – Part 35 – Subpart B - §35.115. EPA and OSHA Lead-Based Paint regulations must be followed regardless if the Association allows an exception in providing a Lead-Based Paint Risk Assessment for an application of tax credits. Additionally, if the project currently has or is requesting HUD funding, the HUD's Lead Safe Housing Rule must also be followed.

41. Current (no more than 12 months old) Physical/Capital Needs Assessment conducted by a licensed architect to determine the need for replacement reserves and the remaining useful life of appliances, floor coverings, doors, and all major building components including roof structures, windows, foundations, plumbing, heating, electrical systems, and air conditioning

Additional Credit Applications

Applications for additional tax credit do not require the above documentation if the originally submitted information is still current. However, if increased development costs are the result of hard construction cost increases and a contractor contract has already been executed, the Association will require that the following items accompany the application for additional credit:

42. Any change orders associated with the increased costs

43. Comprehensive explanation and justification by the Sponsor for the need to amend the original construction contract