

## EXHIBIT A – Low-Income Housing Tax Credit Selection Criteria

(Applicants must achieve at least 60 points in order for the application to be considered)

*In calculation percentages: “total residential units” includes all rent-restricted and market units (and excludes manager or employee units). “Rent restricted” units include both Tax Credit and HOME units.*

**Please indicate whether your development or sponsorship meets the following criteria:  
Enter appropriate points in space provided.**

<b>Selection Criteria:</b>	<b><u>Maximum Points Possible</u></b>	<b><u>Points Earned</u></b>
<p>1. Developments located within the stated distances from goods, services, or major employer: One point per category for a maximum of 10 points .....</p> <p style="margin-left: 20px;"><i><u>Good and Services</u> – located within 1.5 mile driving distance in urban communities or 3.0 mile driving distance in rural communities.</i></p> <p style="margin-left: 20px;"><i><u>Major Employer</u> – located within 5.0 mile driving distance in urban communities or 10.0 mile driving distance in rural communities.</i></p> <p style="margin-left: 20px;"><i><u>Urban Communities</u> – communities that <u>do not</u> qualify as eligible communities for USDA RD programs</i></p> <p style="margin-left: 20px;"><i><u>Rural Communities</u> – communities that qualify as eligible communities for USDA RD programs</i></p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Full service Grocery Store (does not include convenience stores)</li> <li><input type="checkbox"/> Retail Shopping (i.e., hardware, clothing store, etc.)</li> <li><input type="checkbox"/> Police or Fire Station</li> <li><input type="checkbox"/> Pharmacy</li> <li><input type="checkbox"/> Post Office</li> <li><input type="checkbox"/> Bank/Credit Union</li> <li><input type="checkbox"/> Public Park</li> <li><input type="checkbox"/> Education Facility (includes K-12 schools, university, adult education, vocational school, community college)</li> <li><input type="checkbox"/> Public Library</li> <li><input type="checkbox"/> Health Club or Recreational Center (i.e. YMCA, etc.)</li> <li><input type="checkbox"/> Hospital or Medical Clinic, Medical or Dental Office</li> <li><input type="checkbox"/> Social Services Center (i.e., Senior Citizen Center or Community Center) or Licensed Childcare Facility</li> <li><input type="checkbox"/> Bus stop, transit stop (i.e., Part &amp; Ride, etc.)</li> </ul>	<p>Max. 10</p>	<p>_____</p>

**Selection Criteria (Continued):**

<b><u>Maximum</u></b>	
<b><u>Points</u></b>	<b><u>Points</u></b>
<b><u>Possible</u></b>	<b><u>Earned</u></b>

- Public greenbelt bike/walking path access (does not include city sidewalks or street bike lanes)
- Major Employer (as documented in the Market Study or Appraisal)

*Third party mileage documentation must accompany the application (i.e., Mapquest, Google Maps, etc.) or distance measured by street/road access must be documented in the market study or appraisal that is submitted with the application*

2. Developments which give preference to persons on Public Housing Authority waiting lists.

To receive points in this category, attach a copy of the proposed Management Plan which includes a Tenant Selection Policy which specifically states that a preference will be given to potential tenants on Public Housing Authority waiting lists, to the extent permitted by law. The percentage of total residential units that will give this preference must be listed in the Tenant Selection Policy.

Preference given for 60% or greater of total residential units.....	1	_____
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3. Developments with mix of rent-restricted and market units.  
 10% or greater of total residential units are market units.....

	2	_____
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4. Sponsor is a resident of Idaho. ....

	5	_____
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*Sponsor in this category is defined as the owner of the development, and includes any individual or entity of the owner with at least 50% control.*

*If ownership is vested without at least 50% control, then all individuals or entities must meet the requirement. In any event, determinations under this category are subject to the review and approval of the allocating agency in its sole discretion.*

*Resident means an individual person maintaining his or her principal residence in Idaho or an entity which is organized under the laws of Idaho and which also maintains its principal office in Idaho at the time of application.*

*Principal office is defined as a staffed office physically situated in Idaho in which one or more principals maintains a regular, daily office from which they conduct their business.*

**Selection Criteria (Continued):**

	<u>Maximum Points Possible</u>	<u>Points Earned</u>
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5. Developments leasing rent restricted units who commit to giving a waitlist preference to households that contain one or more members with a handicap as defined in the Fair Housing Act.....

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*To receive points in this category, attach a copy of the proposed Management Plan which includes a Tenant Selection Policy that specifically states that a waitlist preference will be given to potential rent-restricted tenants whose households contain one or more members with a handicap as defined in the Fair Housing Act, to the extent permitted by law.*

*Fair Housing Act:*

Sec. 802 [42 U.S.C. 3602] Definitions:

*Handicap means, with respect to a person:*

- (1) *a physical or mental impairment which substantially limits one or more of such person's major life activities,*
- (2) *a record of such an impairment, or*
- (3) *being regarded as having such an impairment, but such term does not include current, illegal use of or addiction to a controlled substance [as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)].*

6. Developments that provide housing for older persons as defined in the Fair Housing Act.....

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*Fair Housing Act:*

Sec. 807 [42 U.S.C. 3607](b)

- (2) As used in this section "housing for older persons" means housing –
  - (A) provided under any Federal or State program that the Secretary determines is specifically designed and operated to assist elderly persons (as defined in the State or Federal program); or
  - (B) intended for, and solely occupied, by persons 62 years of age or older, or
  - (C) intended and operated for occupancy by persons 55 years of age or older, and
    - (i) at least 80 percent of the occupied units are occupied by at least one person who is 55 years of age or older;
    - (ii) the housing facility or community publishes and adheres to policies and procedures that demonstrate the intent required under this subparagraph; and

**Selection Criteria (Continued):**

<u>Maximum</u> <u>Points</u> <u>Possible</u>	<u>Points</u> <u>Earned</u>
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(iii) the housing facility or community complies with rules issued by the Secretary for verification of occupancy, which shall-

(I) provide for verification by reliable surveys and affidavits; and

(II) include examples of the types of policies and procedures relevant to a determination of compliance with the requirement of clause (ii). Such surveys and affidavits shall be admissible in administrative and judicial proceedings for the purposes of such verification.

***NOTE: The Low Income Housing Tax Credit Regulatory Agreement will restrict use of the development in accordance with this section. Duplication of points may not be received for Selection Criteria #5 and #6. Proposed developments may not receive points for for both handicapped households and older persons households.***

7. Family developments which designate the following percentages of the rent-restricted units to three-bedroom or larger units for households. Such developments must provide appropriate amenities for children and families (i.e., open space, playground, laundry, etc.) .....

Max 2 \_\_\_\_\_

5.00% to 9.99 % of the rent restricted units ..... 1

10.00% or greater of the rent restricted units..... 2

NOTE: Developments that provide housing for older persons as defined in the Fair Housing Act do not qualify for Selection Criteria Points under #7.

8. Developments which receive non-related private party contributions, charitable organization donations, local government assistance in the form of tax increment financing, in-kind contributions, land donations, or permit or impact fee reductions or offsets, in a cumulative amount equal to or greater than 2.5% of the Total Development Cost.....

10 \_\_\_\_\_

NOTE: Non-monetary contributions must be supported by a third-party independent appraisal at the time of application. Percentage calculation will be based on cumulative sources that are eligible in the category.

Documentation regarding proposed conditions and terms of the assistance must also accompany the tax credit application.

Land donations will only be considered in this category if the donor (vested owner) of the land is an unrelated party to the Developer and Sponsor. Documentation (real estate purchase and sale agreement, etc.) must make reference to the said donation in the established purchase price.

An eligible "unrelated party" is any vested owner of the land who does NOT meet the following:

**Selection Criteria (Continued):**

**Maximum  
Points  
Possible**

**Points  
Earned**

“Related persons” means ownership by 50% or more by the Developer or Sponsor, alone or in a group of other persons or entities, in the other entity, or, 50% or more ownership by the other entity (or person), alone or in a group of other persons or entities, in the Developer or Sponsor. In this definition, an identity of interest is present even if the person has no voting rights in a corporate or legal entity structure. Registered agents, executive directors, officers, employees, or family members of such persons may be considered as “related persons.”

\*Total Development Cost does not include Developer Fee or Development Reserves.

9. Program sponsors who have a history of satisfactory LIHTC Allocating Agency compliance ratings of their §42 portfolio. ....

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To be considered in this category, development(s) must have placed in service, received Form 8609(s), and had completed no less than three (3) years of compliance reviews. Development(s) will be deemed in compliance unless a review has evidenced a history of substantial noncompliance in which case the points will not be awarded. *Furthermore, the Association, at its sole discretion may take into consideration additional criteria if requested by a sponsor to satisfy the management capacity and experience of the sponsor.*

**NOTE: Substantial Noncompliance is defined as any property reviews currently at a below average or unsatisfactory rating. This rating is based on general physical condition and appearance; leasing and occupancy; and general management operations. In addition, the owner must not have open 8823's filed with the IRS or late submission of required monitoring fees and annual reports, subject to the determination by IHFA's Compliance Department in its sole discretion.**

The sponsor will provide IHFA with the authorization to contact said LIHTC Allocating Agencies by signing the Sponsor's Previous Participation Certification (Exhibit B) of the tax credit application.

*Sponsor in this category is defined as the owner of the development, and includes any individual or entity of the owner with at least 50% control.*

*If ownership is vested without at least 50% control, then all individuals or entities must meet the requirement. In any event, determinations under this category are subject to the review and approval of the allocating agency in its sole discretion.*

**Selection Criteria (Continued):**

	<u>Maximum Points Possible</u>	<u>Points Earned</u>
10. The Association strives to achieve equal distribution of tax credits across the state where the need exists. Based on current data indicating the need for affordable housing statewide, developments located in any of the 44 counties in Idaho will receive points in this criteria. ....	2	_____
11. Rehabilitation Developments that include the <u>use of existing housing</u> as part of a community revitalization plan. To receive points in this category, the proposed development must be located within a certified urban renewal district or other city-designated geographic area that specifically addresses affordable housing as a goal. Documentation from the urban renewal district or the city must confirm to the Association's satisfaction that the proposed development lies within certified boundaries and meets the urban renewal district's or city's goal of providing affordable housing. ....	1	_____
12. Developments with 100% of the units rent-restricted <u>and</u> intended for eventual tenant ownership after the 15-year compliance period has ended. ....	1	_____
<p>Developments wishing to convert to home ownership at the end of the 15-year compliance period will be required to meet the following conditions:</p> <p>a) Conversion to tenant ownership is legally permissible taking into consideration other restrictions that may be attached to the property (i.e., lender or other subsidy restrictions, etc);</p> <p>b) The units must be single-family detached units, condominiums, or townhouses, which can be lawfully conveyed as separate pieces of property;</p> <p>c) Each unit must have access to all necessary utilities, common areas, rights-of-way, easements, and such access will not be dependent on any exercise or non-exercise of any right or consent by the owner of any other property;</p> <p>d) Purchasers must occupy units as primary residences;</p> <p>e) A comprehensive plan must be submitted at the time of application that demonstrates the feasibility of physical conversion to home ownership and includes, but is not limited to:</p>		

**Selection Criteria (Continued):**

**Maximum  
Points  
Possible**

**Points  
Earned**

- Provisions for repair or replacement of heating systems, water heaters, and roof repair or replacement prior to sale;
  - Requirements for extent of stay in rental unit to be eligible for purchase; and
  - Financial counseling plan for potential home buyers.
- f) It is understood that after the initial 15-year compliance period referenced in Section 42(i) of the Code, the Housing Sponsor may transfer individual units (homes) in the Development under a low income homeowners program to Qualifying Tenants holding a right of first refusal provided the following conditions are met:
- All requirements of Sections 42(i)(7) of the Code and Revenue Ruling 95-49 are complied with;
  - The buyers/occupants of the units meet the requirements for a Qualifying Tenant hereunder and hold a right of first refusal for the unit exercisable at the end of the 15-year compliance period;
  - The buyers/occupants execute and record on the property an extended use agreement that restricts the transferred property to low income occupancy to the earlier date of: (i) the resale of the unit to any person other than to individuals whose income at the time of acquisition is 60 percent or less of area median gross income and who will occupy the unit as a principal residence; or (ii) termination of the extended use period commitment as mentioned in the existing LIHTC Regulatory Agreement;
  - Prior to such conveyance, the Housing Sponsor shall furnish the Allocating Agency an opinion of counsel acceptable to such agency that the requirements of this section hereof, Revenue Ruling 95-49 and Section 42(i)(7) of the Code have been met; and
  - The Allocating Agency approves such transfer(s), which approval shall not be unreasonably withheld.

**Selection Criteria (Continued):**

<u>Maximum</u> <u>Points</u> <u>Possible</u>	<u>Points</u> <u>Earned</u>
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13. Developments which incorporate the following optional “green building” certifiable program standards or items into their design.

Max. 8	_____
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To receive points in this category, a licensed architect’s “preliminary” certification that lists the standards or items to be incorporated must accompany the application (See Exhibit C-2 for required format). At placed in service, an “as built” certification by a licensed architect that lists the incorporated standards or items will be required along with official program certification, if applicable. (See Exhibit D-2 for required format.)

*NOTE: The intent is that all code and standards cited are the most current versions.*

- LEED for Homes ..... 8
- NW Energy Star ..... 8
- ICC 700 National Green Building Standard ..... 8
- Enterprise Green Communities ..... 8
- Indoor Air Plus ..... 8
- Passive House Institute US (PHIUS) or Passive House Institute (PHI)..... 8

**OR...**

Individual Green Building Components  
Up to a maximum of 8 points.  
(Select any combination of the following items)

- Ceiling fans in living room and bedrooms in all residential units ..... 1
- “No added urea-formaldehyde” cabinets ..... 1
- Occupancy sensor lighting in interior community areas ..... 1
- 100% of the total lighting to be high efficiency bulbs/lamps (CFL, LED) ..... 1
- Continuous Ventilation (high efficiency bathroom fans with timer or humidistat, or an energy recovery ventilator “ERV”) .. 1
- Green label certified low-emission carpet/pad/adhesive ..... 1
- Energy Star certified water heaters ..... 1
- SCS FloorScore certified hard surface flooring ..... 1
- Xeriscape landscaping and high efficiency irrigation..... 1
- Metal or long lasting roofing (30 year warranty – minimum).... 1
- High Efficiency HVAC equipment (must exceed minimum building code requirements) ..... 2



**Selection Criteria (Continued):**

<u>Maximum</u>	<u>Points</u>
<u>Possible</u>	<u>Earned</u>

- Water saving shower heads, toilets, faucets ..... 2
  - Bathroom faucets:            ≤ 1.0 gpm
  - Kitchen faucets:            ≤ 1.5 gpm
  - Toilets:                      ≤ 1.3 gpf or dual-flush toilets
  - Shower heads:                ≤ 1.75 gpm
- U-0.30 or lower rated windows (total assembly) ..... 2
- Rigid foam insulation under exterior siding which provides a 20% increase over minimum building code requirements .... 2
- R-49 Value Insulation or insulation that is 5% above minimum building code requirements in attic ..... 2
- Structural Insulated Panel (“SIP”) roof construction with 50 R-Value ..... 2
- Structural Insulated Panel (“SIP”) wall construction with minimum 25 R-Value ..... 2
- HOME Energy Rating System (“HERS”) Score which is 100 or less for rehabilitation developments, or 70 or less for new construction developments ..... 5

*HERS Score to be determined by qualified provider once the development is placed in service.*

14. Developments which utilize Historic Rehabilitation Tax Credit as a funding source. To receive points in this category, certification from the National Park Service must accompany the application which states that the proposed building is a certified historic structure (one listed on the National Register of Historic Places or located in a Registered Historic District and determined to be of significance to the Historic District) as defined by IRC Section 47(c)(3)(A).....

1      \_\_\_\_\_

*NOTE: Award of this Selection Criteria point will be conditioned upon receipt of written confirmation from the National Park Service that the proposed development meets the Department of Interior’s rehabilitation standards.*

15. Developments located in a Primary Market Area (“PMA”) with a Low-Income Housing Tax Credit (“LIHTC”) rental vacancy of 3.00% or less, as documented in the market study or appraisal that is submitted with the tax credit application.....

8      \_\_\_\_\_

**Selection Criteria (Continued):**

**Maximum  
Points  
Possible**

**Points  
Earned**

16. Permanent Supportive Housing (“PSH”) Units.....

2

\_\_\_\_\_

*Developments awarded points for PSH or for transitional housing (defined by Section 42(i)(3)(B)(iii) of the IRS code) will receive two points toward their project’s overall score. The requirements are segmented into three sections: 1) Targeted Population; 2) Experience and Capacity of Supportive Service or Housing Providers; and 3) On Site Support and Services.*

*In order for a project to be eligible for these points, ALL three of the sections must be met and supporting documentation with adequate detail must be included in the application.*

**1) Targeted Population:**

***(Must be identified in the “Tenant Selection Policy” of the proposed Management Plan)***

*Provide Housing to Special Housing Need (“SHN”) populations.*

*Target the SHN populations and designate at least one unit, or the number of units equivalent to 5% of the total number of residential units in the development (round up to the nearest whole number), whichever is greater, as PSH or transitional housing for SHN tenants.*

*Special Housing Need population is defined as households meeting all of the criteria listed below:*

- ***Household comprising of individual or families with incomes at or below 30% area median income (AMI); AND***
- ***Household comprising of individual or families who are disabled. Federal laws define a person with a disability as “any person who has a physical or mental impairment that substantially limits one or more major life activities, has a record of such impairment, or is regarded as having such impairment;” AND***
- ***Household comprising of individual and families who are literally homeless, at imminent risk of homelessness, or fleeing or attempting to flee domestic violence as defined in 24 CFR 576 Subpart A 576.2 (1), (2), and (4).***

**Selection Criteria (Continued):**

**Maximum  
Points  
Possible**

**Points  
Earned**

*At its sole discretion, the Association may expand or adjust the above defined Targeted Population consistent with Special Housing Needs preferences identified in Idaho's Consolidated Housing Plan.*

**2) Experience and Capacity of Supportive Service and/or Housing Providers:**

***(Provide resumes and letter(s) of intent)***

- *Demonstrate at least 3 years experience providing housing and/or services to SHN populations; AND*
- *Provide a letter(s) of intent from all partnering organizations that will be providing support and services to SHN tenants that will be residing in the development.*

**3) On-Site Support and Services:**

***(Must be documented in the proposed Management Plan or a separate Supportive Services Plan that is referenced in the Management Plan)***

***The application should demonstrate the adoption of Housing First practices including a support and services plan or similar operations manual that confirms: 1) voluntary participation by tenants in services; 2) regular case management to determine appropriate supports and services to be offered based on tenant needs; and 3) development of flexible, person-centered, and client-informed individual service plans.***

- *Offering of required supports and services. SHN tenants must be offered participation in at least three of the nine service types listed below:*
  - *Health OR Behavioral Health Services*
  - *Childcare*
  - *Adult Education, Health and Wellness, Or Skill Building Classes*
  - *After School Program for School Aged Children*
  - *Renter Education Classes*
  - *Substance Use Counseling/Treatment*
  - *Housing Liaison*
  - *Connection to Mainstream Resources*
  - *Housing Barrier Removal*

**Selection Criteria (Continued):**

**Maximum  
Points  
Possible**

**Points  
Earned**

- *Support and services must be accessible on-site at the development, unless alternative transportation arrangements have been made by the development or partnering agency.*
- *An Affirmative Marketing Plan that includes outreach to persons in the market area who may benefit from the supportive services offered, including the Federal homelessness assistance jurisdiction's (Boise City Ada County Continuum of Care or Idaho Balance of State Continuum of Care) Homeless Management Information System (HMIS) and coordinated entry system.*

*If a project is awarded the two points and does NOT comply with the requirements in this category after being placed in service, the developer/sponsor will NOT be eligible to submit applications for LIHTC until such time as the project is back in satisfactory compliance (good standing).*

*NOTE: HOME funds can be used in units defined as transitional housing at 24 CFR Subpart A-92.2 "Transitional Housing". Under this definition, an Owner/Sponsor can provide a tenant preference in transitional housing units for one/all of the following populations: "Individuals with disabilities, homeless individuals with disabilities, and families with children".*

*HOME and HTF funds CANNOT be used in units defined as Permanent Supportive Housing units if the units are limited to, or a preference for "homeless" without a disability.*

*For further information regarding project eligibility and the use of HOME and/or HTF funds in a project for PSH units, please contact IHFA HOME Programs Department.*

17. *Developments which give a waitlist preference to persons with HUD-Veterans Affairs Supportive Housing ("VASH") vouchers.....*

1

*To receive points in this category, attach a copy of the proposed Management Plan which includes a Tenant Selection Policy that specifically states that a waitlist preference will be given to potential rent-restricted tenants with VASH vouchers, to the extent permitted by law.*

**6.5 Preference Points:**

<u>Maximum</u>	<u>Points</u>
<u>Possible</u>	<u>Earned</u>

The Code also requires that, during the selection process, preference is granted to developments which serve the lowest income tenants and/or which are obligated to serve low-income tenants for the longest periods and/or located in a qualified census tract in which the development contributes to a concerted community revitalization plan. Accordingly, the Association will grant preference points to eligible developments as follows:

- |   |    |       |
|---|----|-------|
| <p>1. Developments which are obligated to provide low-income use 25 years beyond the initial 15-year compliance period. This 40-year obligation requires the waiver of the Qualified Contract provision for the purpose of converting to market-rate use until one (1) year before the final year of the 40-year obligation and thereafter shall be subject to the three (3) year provisions regarding eviction and rent increase. ....</p> <p><i>NOTE: This obligation will be set forth in the Low Income Housing Tax Credit Regulatory Agreement.</i></p>  | 15 | _____ |
| <p>2. Developments with 40% or less area median income (AMI) units. Manager's unit not included in calculation.</p> <p style="padding-left: 40px;">Developments with 1-50 total residential units where at least 2.5% of the rent-restricted units are at 40% or less AMI. ....</p> <p style="padding-left: 40px;">Developments with 51 or more total residential units where at least 5% of the rent-restricted units are at 40% or less AMI. ...</p> <p><i>NOTE: 30% and 35% AMI units may be included in the unit count to determine points for "40% or less" AMI units (but are not necessarily required for the points).</i></p> | 6  | _____ |
| <p style="padding-left: 40px;">Developments with 51 or more total residential units where at least 5% of the rent-restricted units are at 40% or less AMI. ...</p> <p style="padding-left: 40px;">Developments with 1-50 total residential units where at least 5% of the rent-restricted units are at 45% AMI .....</p> <p style="padding-left: 40px;">Developments with 51 or more total residential units where at least 10% of the rent-restricted units are at 45% AMI .....</p>   | 6  | _____ |
| <p>3. Developments with 45% area median income (AMI) units. Manager's unit not included in calculation.</p>   | 3  | _____ |
| <p style="padding-left: 40px;">Developments with 1-50 total residential units where at least 5% of the rent-restricted units are at 45% AMI .....</p> <p style="padding-left: 40px;">Developments with 51 or more total residential units where at least 10% of the rent-restricted units are at 45% AMI .....</p>  | 3  | _____ |

