

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

(Applicants must achieve at least 145 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 includes both Tax Credit and HOME units.

<b>If you do not receive a Tax Credit Reservation, do you wish to place your application on the Waiting List for consideration during the next application period?</b>	<b>Yes</b>	_____
	<b>No</b>	_____

<b>Please indicate whether your development or sponsorship meets the following criteria: Enter appropriate points in space provided.</b>	<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>

**Selection Criteria:**

1.	Developments that qualify for Section 42 Nonprofit Setaside and also have Idaho Residency Sponsorship. ....	15	
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**NOTE:** Language that assures **that the nonprofit sponsor will have majority-controlling vested ownership interest throughout the extended use period** will be included in the LIHTC Regulatory Agreement.

Sponsorship is defined to include the owner and, if a partnership, the managing general partner and all co-general partners of the owner or the parent corporation of the managing general partner and all co-general partners of the owner, or if an owner is a limited liability company, such terms also include the limited liability company and all managing members or managers of the limited liability company, and if owner is a corporation, such terms include the president and vice president of the corporation.

Idaho Residency means an individual person maintaining his or her principal residence in Idaho or an (the) entity which is organized under the laws of Idaho and which also maintains a (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.

	Maximum Points <u>Possible</u>	<u>Points Earned</u>
2. Developments which give preference to persons on Public Housing Authority waiting lists.		
<p>To receive points in this category, attach a copy of the proposed development's Management Plan that includes a Tenant Selection Policy which specifically states that a preference will be given to potential tenants on Public Housing Authority waiting lists. Preference must be stated as a percentage of total residential units.</p>		
Preference given for 30% to 60% of total residential units .....	5	_____
Preference given for 61% or greater of total residential units .....	10	_____
3. Developments with mix of rent-restricted and market units.		
10% to 19% of total residential units are market units.....	5	_____
20% or greater of total residential units are market units .....	10	_____
4. Sponsor is a resident of Idaho .....	15	_____
<p><u>Sponsor</u> is defined to include the owner and, if a partnership, the managing general partner and all co-general partners of the owner or the parent corporation of the managing general partner and all co-general partners of the owner, or if an owner is a limited liability company, such terms also include the limited liability company and all managing members or managers of the limited liability company, and if owner is a corporation, such terms include the president and vice president of the corporation.</p>		
<p><u>Resident</u> means an individual person maintaining his or her principal residence in Idaho or an (the) entity which is organized under the laws of Idaho and which also maintains a (its) principal office in Idaho at the time of application.</p>		
<p><u>Principal Office</u> is defined as a staffed office physically situated in Idaho in which one or more principals maintain a regular, daily office from which they conduct their business.</p>		
5. Developments designed for special needs populations (elderly, handicapped, mentally ill, developmentally disabled) <u>and/or</u> which provide continuing supportive services to assist families in becoming more self-sufficient or which address identified tenant needs as follows: .....	15	_____

Special Needs:

Maximum  
Points  
Possible

Points  
Earned

- a) Developments with 25% of the rent restricted units designed solely to provide independent living opportunities for persons with mental, physical or developmental disabilities provided there is a Supportive Services Plan with an established organization to provide services for such persons. **(Copy of the Supportive Services Plan, as defined below, which illustrates how the development will provide services needed by the tenant population must be submitted in the application.), OR**
  
- b) Developments which provide 100% of the total residential units designed and dedicated for elderly persons 62 years of age or older. Persons with disabilities may also be eligible occupants. **(Copy of the Supportive Services Plan, as defined below, which illustrates how the development will provide services needed by the tenant population must be submitted in the application.), OR**

Elderly Family. Elderly family means a family whose head or spouse or sole member is a person who is at least 62 years of age. It may include two or more persons who are at least 62 years of age living together, or one or more persons who are at least 62 years of age living with one or more live-in aides.

Elderly Person. An elderly person is a household composed of one or more persons at least one of whom is 62 years of age or more at the time of initial occupancy.

Persons with Disabilities. A disabled family is a family whose head, spouse, or sole member is a person with disabilities. It may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides.

For more detailed definitions, please refer to the HUD Occupancy Requirements of Subsidized Multifamily Housing Programs Handbook, 4350.3 REV-1, Chapter 3: Eligibility for Assistance and Occupancy, Section 3-17.

- c) Developments designed and operated for occupancy where at least 80% of the total residential units are occupied by at least one person 55 years of age or older. **(A Copy of the Supportive Services Plan, as defined below, which illustrates how the development will provide services needed by the tenant population must be submitted in the application.)**

**Supportive Services:**

The costs of the services provided must be funded outside the operations of the property.

Self-Sufficiency is defined as the ability to improve economic stature to decrease reliance on government assistance.

It is at the sole discretion of the Association to ascertain whether points will be awarded in this category.

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

To be considered for points in this category, Sponsors must submit the following:

- **Completed Exhibit F – Supportive Services Plan from the Tax Credit Application, and**
- **Executed commitment letter or memorandum of understanding from a supportive services provider that: 1) outlines the services provided, 2) gives the background and experience of the provider in providing the proposed services, 3) mentions how often and where the services will be provided. Please note that supportive services must be offered on an on-going and regular basis, i.e., monthly or weekly, and not just once a year, and the majority of supportive services must be offered on the development site. In the event that the development is an existing structure and the original design did not accommodate a community room concept, the Association will consider an off-site alternative.**

***Note: The Regulatory Agreement will restrict use of the development in accordance with this section.***

6.	Family developments which designate at least 5% of the rent-restricted units to three-bedroom or larger units for households earning no more than 50% of area median income. Such developments must provide <u>all</u> appropriate amenities for children and families (i.e., open space, playground laundry, etc.) .....	5	_____
7.	Developments that rehabilitate existing federally assisted rental units. To be awarded these points the application must meet the rehabilitation requirements as defined in Section 4.17 .....	10	_____
8.	For those tax credit applications that include another federally-based funding resource and/or subsidy, the following points will be awarded if the Sponsor has obtained appropriate approval of the federally based funding resources and/or subsidy prior to applying for tax credits. The application must provide written evidence of the approval and any and all terms and conditions associated with the approval .....	10	_____
9.	Developments located <u>outside</u> of a Difficult to Develop Area or Qualified Census Tracts, or developments that don't qualify for the state-designated increase in eligible basis as mentioned in Section 5.4. (This category recognizes the economic difficulty of funding without the up to 30% increase in eligible basis.).....	10	_____

**Selection Criteria (Continued):**

**Maximum  
Points  
Possible**      **Points  
Earned**

10. Developments which utilize private or community grants in an amount of \$10,000 or more, or developments which utilize other community, state or federal housing assistance programs (i.e., Section 8, CDBG, USDA Rural Development 515 or 538, FHLB Affordable Housing Program, etc.\*), in conjunction with the tax credit. Documentation regarding proposed conditions and terms of the grant or other funding must accompany the tax credit application. ....

10      \_\_\_\_\_

**If so, state what assistance will be received:**

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NOTE: Hard cost material or professional service donations will not be considered as grants for this particular point category. Additionally, grant funds must not be conditioned upon the award of a side contract.

\*Tax exempt bond financing, Historic Tax Credits, HOME or Association financing will not be considered "other state or federal housing assistance programs" for this particular category. Additionally, a single funding source cannot receive points for both #10 and #11.

11. Developments which receive local assistance in an amount not less than 5% of the Total Development Cost\* (i.e., land donations, cash, or tax increment financing). For purposes of this category, state allocated CDBG or Idaho State Participating Jurisdiction HOME funds are not considered as eligible assistance. ....

20      \_\_\_\_\_

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

**Readiness Points:**

12. Readiness Points:
- a) Evidence of zoning approval for development as intended .....

10      \_\_\_\_\_

If zoning requires a conditional use permit, the evidence of application for such permit must be included in the tax credit application.  
*Developments requiring zone changes or annexation do not meet readiness criteria.*

- b) Site control by Sponsor as evidenced by an earnest money agreement or other legal documents evidencing site control. ....

10      \_\_\_\_\_

*Sponsor* is defined to include the owner and, if a partnership, the managing general partner and co-general partners of the owner or the parent corporation of the managing general partner and co-general partners of the owner, or if the owner is a limited liability company, such terms also include the limited liability company and managing members or managers of the limited liability company, and if owner is a corporation, such terms include the president and vice president of the corporation.

**Selection Criteria (Continued):**

	<u>Maximum Points Possible</u>	<u>Points Earned</u>
<p>13. a) Previous program sponsors who have consistently completed their §42 development(s), and who are maintaining their development(s) in compliance with tax credit regulations .....</p> <p style="margin-left: 40px;"><u>Out of state sponsors will be required to provide references from Housing Financing Agencies acknowledging sponsor's track record and that their developments are in compliance. The sponsor will provide IHFA with the authorization to contact said Housing Finance Agencies. Completed development(s) are defined as development(s) which have received a Certificate of Occupancy, and development(s) will be deemed in compliance unless a review has evidenced substantial noncompliance; OR</u></p>	15	_____
<p>b) Sponsors who have previous housing development experience (at least a 24-unit multifamily complex) in the State of Idaho .....</p> <p style="margin-left: 40px;"><i>Sponsor</i> is defined to include the owner and, if a partnership, the managing general partner and all co-general partners of the owner or the parent corporation of the managing general partner and all co-general partners of the owner, or if the owner is a limited liability company, such terms also include the limited liability company and all managing members or managers of the limited liability company, and if owner is a corporation, such terms include the president and vice president of the corporation.</p>	5	_____
<p>14. Developments with 36 or fewer total residential units in rural areas with populations of not more than 20,000 as defined in most recent census report. The adjusted census data should not be more than 18 months old and be updated from a reliable source (i.e., state of Idaho Department of Commerce, U.S. Census Bureau). <u>This category does not apply to cities adjacent to other cities if both populations, when added together exceed 20,000.</u> .....</p>	10	_____
<p>15. Developments located within a certified urban renewal district, or other city-designated geographic area, that specifically address affordable housing as a goal. To receive points in this category, 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.....</p>	10	_____
<p>16. Developments intended for eventual tenant ownership after the end of the 15-year compliance period has ended.....</p> <p style="margin-left: 40px;">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) The units must be single-family detached units, condominiums, or townhouses;</p>	5	_____

**Selection Criteria (Continued):**

**Maximum  
Points  
Possible**

**Points  
Earned**

- b) Intention to convert must be expressed in writing at the time of application;
- c) Purchasers must occupy units as primary residences; and
- d) 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:
  - 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;
  - Financial counseling plan for potential home buyers;
  - Market and unit pricing strategy for conversion; and
  - Any limitations established for seller equity.

17. Developments which incorporate the following optional “green building certifiable program standards or items into their design. 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 (Certified or higher level) .....	20
Energy Star NW .....	15
ICC 700 National Green Building Standard .....	15
Enterprise Green Communities .....	15

**OR**

IHFA Green Building Criteria  
Up to a maximum of 15 points.

(Select any combination of the following items)

- |   |   |
|---|---|
| <input type="checkbox"/> Developments where 50% or more of their total lighting fixtures are Energy Star rated..... | 1 |
| <input type="checkbox"/> HVAC equipment that meets Energy Star for Homes requirements .....                         | 2 |

**Selection Criteria (Continued):**

<input type="checkbox"/>	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		
<input type="checkbox"/>	Green label certified carpet .....	1	
<input type="checkbox"/>	Harvesting 15% of rainwater runoff from roof for landscape irrigation use .....	1	
<input type="checkbox"/>	High Efficiency HVAC filters .....	1	
<input type="checkbox"/>	Electric or Gas tankless water heaters .....	2	
<input type="checkbox"/>	Xeriscape landscaping and high efficiency irrigation.....	1	
<input type="checkbox"/>	U-0.30 or lower rated windows (total assembly) .....	2	
<input type="checkbox"/>	Wall and ceiling insulation that provides a 20% increase over minimum code (based on ResCheck or HERS rating at placed-in-service/cost certification date) .....	2	
<input type="checkbox"/>	Metal or long lasting roofing (30 year warranty – minimum) or Energy Star roofing.....	1	
<input type="checkbox"/>	Enhanced mechanical ventilation (Heat Recovery or Continuous Ventilations) .....	2	
	..... <b>MAXIMUM POINTS POSSIBLE</b>	<b>15</b>	<u>          </u>

18.	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: 1) 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); and 2) states that the proposed rehabilitation meets the Department of Interior’s standards for rehabilitation.....	10	<u>          </u>
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**Preference Points:**

**Maximum  
Points  
Possible**      **Points  
Earned**

**What is the term of your low-income obligation?**

Years

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:

1. Developments which are obligated to provide low-income use beyond the eighteenth (18<sup>th</sup>) year of the compliance period. This obligation requires that owners of such developments may not invoke the sale provision (for the purpose of converting to market-rate use prior to the end of the thirty (30) year extended use commitment) until one (1) year before the final year of obligation and thereafter shall be subject to the three (3) year provisions regarding eviction and rent increase:

Example:      2 points for each year beyond 18 years, up to 44 points  
                  (i.e. 20 yrs. = 2 yrs. x 2 = 4 points)

..... **MAXIMUM POINTS POSSIBLE**      44      \_\_\_\_\_

This obligation will be set forth in the Regulatory Agreement.

**Note:** This obligation does not release owners from the extended use commitment which provides for compliance with §42 regulations for 15 years beyond the initial 15-year compliance period.

2. Developments with 40% area median income (AMI) units.  
Manager's unit not included in calculation.

Developments with 1-50 total residential units where at least 5% of the restricted units are at 40% AMI.....      10      \_\_\_\_\_

Developments with 51 or more total residential units where at least 10% of the restricted units are at 40% AMI. ....      10      \_\_\_\_\_

**TOTAL NUMBER OF UNITS TARGETED FOR HOUSEHOLDS EARNING NO MORE THAN 40% AREA MEDIAN INCOME**      # of units

3. Developments with 45% area median income (AMI) units.  
Manager's unit not included in calculation.

Developments with 1-50 total residential units where at least 2.5% of the restricted units are at 45% AMI.....      10      \_\_\_\_\_

Developments with 51 or more total residential units where at least 5% of the restricted units are at 45% AMI .....      10      \_\_\_\_\_

**TOTAL NUMBER OF UNITS TARGETED FOR HOUSEHOLDS EARNING NO MORE THAN 45% AREA MEDIAN INCOME**      # of units

Preference Points (Continued)

	<u>Maximum Points Possible</u>	<u>Points Earned</u>
4. Developments with 50% area median income (AMI) units. Manager's unit not included in calculation.		
Developments with 1-50 total residential units where at least 5% of the restricted units are at 50% AMI .....	5	_____
Developments with 51 or more total residential units where at least 10% of the restricted units are at 50% AMI .....	5	_____

**TOTAL NUMBER OF UNITS TARGETED FOR  
HOUSEHOLDS EARNING NO MORE THAN 50% AREA  
MEDIAN INCOME** \_\_\_\_\_  
# of units

**Note: The Regulatory Agreements for developments designating units under preference items 2, 3, and 4 above will state the number of units restricted to lower rent levels. 30%, 35%, 55% and 60% area median income (AMI) units will also be mentioned in the Regulatory Agreement even though preference points are not awarded for these units. Rent restrictions will be effective for such units during the initial compliance period and the extended use period.**

Sponsors are expected to disperse units targeted for 30%, 35%, 40% and 45% area median income households throughout the development to the extent possible taking into consideration other programmatic requirements. Allocating such units so that one building(s) is/are 100% occupied by households at 30%, 35%, 40% and 45% of area median income is not recommended.

5. Developments located within a <u>qualified census tract</u> in which the development contributes to a concerted community revitalization plan. ....	10	_____
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A concerted community revitalization plan is defined as a certified urban renewal district or other city-designated geographic area located within a qualified census tract that specifically addresses affordable housing as a goal. To receive points for this category, 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.

**Total Points Earned** \_\_\_\_\_  
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