

## Summary of Changes in the 2017 LIHTC QAP

Change	Section Reference
<p><b>Eligible State Basis Boost (30%)</b></p> <ul style="list-style-type: none"> <li>• Revised to include projects located in Areas of Opportunity as defined by DSHA’s Balanced Housing Opportunity map and such projects may apply for the boost at application               <ul style="list-style-type: none"> <li>○ Projects with 100% of the total units in the Area of Opportunity will receive up to a 30% boost</li> <li>○ Projects with 50-99.9% of the total units in the Area of Opportunity will receive up to a 15% boost</li> <li>○ Projects with only 0-49.9% of the total units in the Area of Opportunity will not receive the boost</li> </ul> </li> </ul>	Introduction
<p><b>Allocation</b></p> <ul style="list-style-type: none"> <li>• Revised to clarify that unused credits in each pool may be awarded to the next highest-ranking project, regardless of the pool</li> <li>• Revised amounts to reflect updated total credit amounts available:               <ul style="list-style-type: none"> <li>○ Non-Profit: \$348,494</li> <li>○ Preservation: \$988,355</li> <li>○ New Creation: \$988,355</li> <li><b>Total: \$2,325,204</b></li> <li>50% Developer Limit: \$1,742,473</li> </ul> </li> <li>• Revised to state that if a cure item causes a development entity to exceed the 50% developer limit, DSHA may allow the entity to reduce its requested credit amount</li> </ul>	Tax Credit Allocations and Pools
<p><b>Community Revitalization Plan</b></p> <ul style="list-style-type: none"> <li>• Planning Section amended and clarified definition to include comprehensive plans and DDDs</li> </ul> <p><b>Historic Consultant</b></p> <ul style="list-style-type: none"> <li>• Added definition to detail allowable fees and service requirements to be consistent with underwriting guidelines</li> </ul> <p><b>Areas of Opportunity</b></p> <ul style="list-style-type: none"> <li>• Added definition to be consistent with references throughout QAP</li> </ul>	Definitions
<p><b>Target Units</b></p> <ul style="list-style-type: none"> <li>• Added that any developments receiving project based rental assistance must target 5% or five (5) units, whichever is larger (non-subsidized projects are required to target 5% or three (3) units)</li> </ul> <p><b>Site Control</b></p> <ul style="list-style-type: none"> <li>• Added that any applicants applying for or receiving federal funding must make all site control documents contingent upon completion of an environmental review in accordance with federal guidelines</li> </ul>	Threshold

<p><b>Minimum Construction Requirements</b></p> <ul style="list-style-type: none"> <li>Added that penalty points may be assessed to applicants who did not adhere to construction standards on previous projects</li> </ul>	
<p><b>Per Unit Cost Reductions</b></p> <ul style="list-style-type: none"> <li>Updated amounts (increased) to reflect most recent cost data for new construction and acquisition/rehabilitation</li> </ul>	<p>Ranking and Points</p>
<p><b>Section 811</b></p>	
<ul style="list-style-type: none"> <li>Noted that only one-bedroom units will be eligible in 2017</li> </ul>	
<p><b>Leveraging of Non-DSHA Sources</b></p>	
<ul style="list-style-type: none"> <li>Clarified that deferred developer fee amounts are excluded from leveraging calculation entirely</li> </ul>	
<p><b>Promoting Balanced Housing Opportunities</b></p>	
<ul style="list-style-type: none"> <li>Revised category to allow partial points if less than 100% of units are located within an Area of Opportunity <ul style="list-style-type: none"> <li>Projects with 100% of the total units in the Area of Opportunity will receive 10 points</li> <li>Projects with 50-99.9% of the total units in the Area of Opportunity will receive 5 points</li> <li>Projects with only 0-49.9% of the total units in the Area of Opportunity will not receive any points</li> </ul> </li> </ul>	
<p><b>USDA Rural Development/Other Federal Rental Subsidy</b></p>	
<ul style="list-style-type: none"> <li>Added that subsidy must be for at least 75% of total development units</li> </ul>	
<p><b>Management Agent's Experience</b></p>	
<ul style="list-style-type: none"> <li>Clarified that agent's with any unresolved 8823s will not receive points</li> <li>Clarified that 'like properties' in average vacancy loss will only include Delaware properties</li> </ul>	
<p><b>Energy Conservation Measures</b></p>	
<ul style="list-style-type: none"> <li>Updated to reflect additional options as follows: three (3) points will be awarded for applicants seeking certification in Enterprise Green, National Green Building Standards, or LEED, and two (2) additional points will be awarded for new construction projects pursuing Passive House, DOE Zero Energy Ready, or acquisition/rehabilitation projects pursuing additional HERS index ratings</li> </ul>	
<p><b>Utility Benchmarking</b></p>	
<ul style="list-style-type: none"> <li>Added new category for utility benchmarking, two (2) points will be awarded to applicants who utilize a utility benchmarking service</li> </ul>	
<p><b>Access to Transit</b></p>	
<ul style="list-style-type: none"> <li>Clarified that no previous years' MOAs will be accepted</li> </ul>	
<p><b>Connectivity</b></p>	
<ul style="list-style-type: none"> <li>Clarified that DelDOT communication must be provided to receive points</li> </ul>	
<p><b>Compliance Monitoring Procedures</b></p> <ul style="list-style-type: none"> <li>Included all properties using any DSHA funds in potential on-site inspections</li> <li>Added that certifications and reviews will be made at least annually</li> </ul>	<p>Compliance Monitoring Procedures</p>

<p><b>Waiver Requests</b></p> <ul style="list-style-type: none"> <li>Added that waiver requests from underwriting guidelines will be \$500 each and no waiver requests can be made prior to application or award</li> </ul> <p><b>General Requirements, Overhead and Profit, Developer Fee</b></p> <ul style="list-style-type: none"> <li>Minor language updates to reflect current practices and to match the Cost Cert Guide, no changes in limits or percentages</li> </ul> <p><b>Equity Factor</b></p> <ul style="list-style-type: none"> <li>Updated to DSHA required 95 cents on the dollar of net equity</li> </ul> <p><b>Legal Fees</b></p> <ul style="list-style-type: none"> <li>Increased legal fee limit to \$200,000 for all developments and stated that no waivers from this limit may be submitted</li> </ul> <p><b>Cost Certification/Accounting</b></p> <ul style="list-style-type: none"> <li>Increased limit to \$30,000 and all such costs are excluded from eligible basis</li> <li>Updated to require all cost certification and accounting firms to be licensed in Delaware</li> </ul> <p><b>Furniture, Fixtures, and Equipment</b></p> <ul style="list-style-type: none"> <li>Revised to a minimum of \$800 per unit for new construction/new creation projects and maximum of \$800 per unit for preservation projects</li> </ul> <p><b>Marketing and Rent-up Fees</b></p> <ul style="list-style-type: none"> <li>Updated to detail allowable expenses and match Cost Certification Guide</li> </ul> <p><b>Appraisals</b></p> <ul style="list-style-type: none"> <li>Updated to require all appraisers to be licensed in Delaware</li> </ul> <p><b>Annual Replacement Reserves and Replacement Reserves</b></p> <ul style="list-style-type: none"> <li>Updated to require increased amounts if carpet is installed in the units</li> </ul> <p><b>Operating Pro Forma</b></p> <ul style="list-style-type: none"> <li>Limits maximum accumulated distributions to five (5) years</li> <li>Clarified that longer amortization periods shall mean greater than thirty (30) years</li> </ul>	<p>Underwriting Guidelines</p>
<p><b>Difficult Development Areas, Qualified Census Tracts, Promoting Fair Housing Choice Opportunities, Promoting Access to Transit, State Strategies for Policies and Spending</b></p> <ul style="list-style-type: none"> <li>Updated map links to the following:  <a href="http://delaware.maps.arcgis.com/apps/webappviewer/index.html?id=e93dabfce6af4a94870111a1489bb1b0">http://delaware.maps.arcgis.com/apps/webappviewer/index.html?id=e93dabfce6af4a94870111a1489bb1b0</a> </li> </ul>	<p>DDAs, QCTs, Promoting Fair Housing, Access to Transit, State Strategies</p>
<p><b>Application Checklist</b></p> <ul style="list-style-type: none"> <li>Updated to match changes in Threshold and Ranking and Points sections</li> </ul>	<p>Application Checklist</p>
<p><b>Environmental Site Assessment</b></p> <ul style="list-style-type: none"> <li>Updated to require a clear detailed remediation plan prior to construction with clear budget</li> </ul> <p><b>Architect Certification Standards</b></p> <ul style="list-style-type: none"> <li>Amended to require the architect, engineer, surveyor and any other consultants to maintain registration in Delaware until project conversion</li> </ul>	<p>Minimum Construction/Rehab Standards</p>
<p><b>Waivers</b></p> <ul style="list-style-type: none"> <li>Stipulated that no waiver requests from construction standards will be</li> </ul>	

allowed prior to application or award

**Site Work**

- Amended to require fire marshal approval of all building and site plans (alarms and sprinklers) prior to construction closing
- Stipulated that DSHA must approve all permanent signs by permanent closing
- Amended to require all maintenance and watering of landscaping be included in the budget

**Exteriors**

- Requires all existing mortar joints (brick areas) be inspected and repointed as needed

**Plumbing**

- Added that boilers/water heaters serving more than one unit shall be replaced where practical

**Telephone/Cable**

- Added that general contractor must verify with providers for cable box and electrical requirements and/or install media boxes

**Radon Testing**

- Added to require testing prior to construction and prior to occupancy

**Rehabilitation Checklist**

- Updated to match construction standards section

Rehabilitation  
Checklist

**DSHA Funding**

- Updated to reflect all DSHA funding sources (including new NHTF), not just HDF
- Added detail on availability of NHTF funds-only for new creation units and application will be made through the LIHTC process

DSHA Funding  
Supplement