

DECEMBER 14, 2023

# 2024-2025 QAP APPLICATION WORKSHOP



Arizona  
Department  
of Housing

Facilitators:

Assistant Deputy Director Keon Montgomery  
Rental Programs Administrator Melanie Brewer

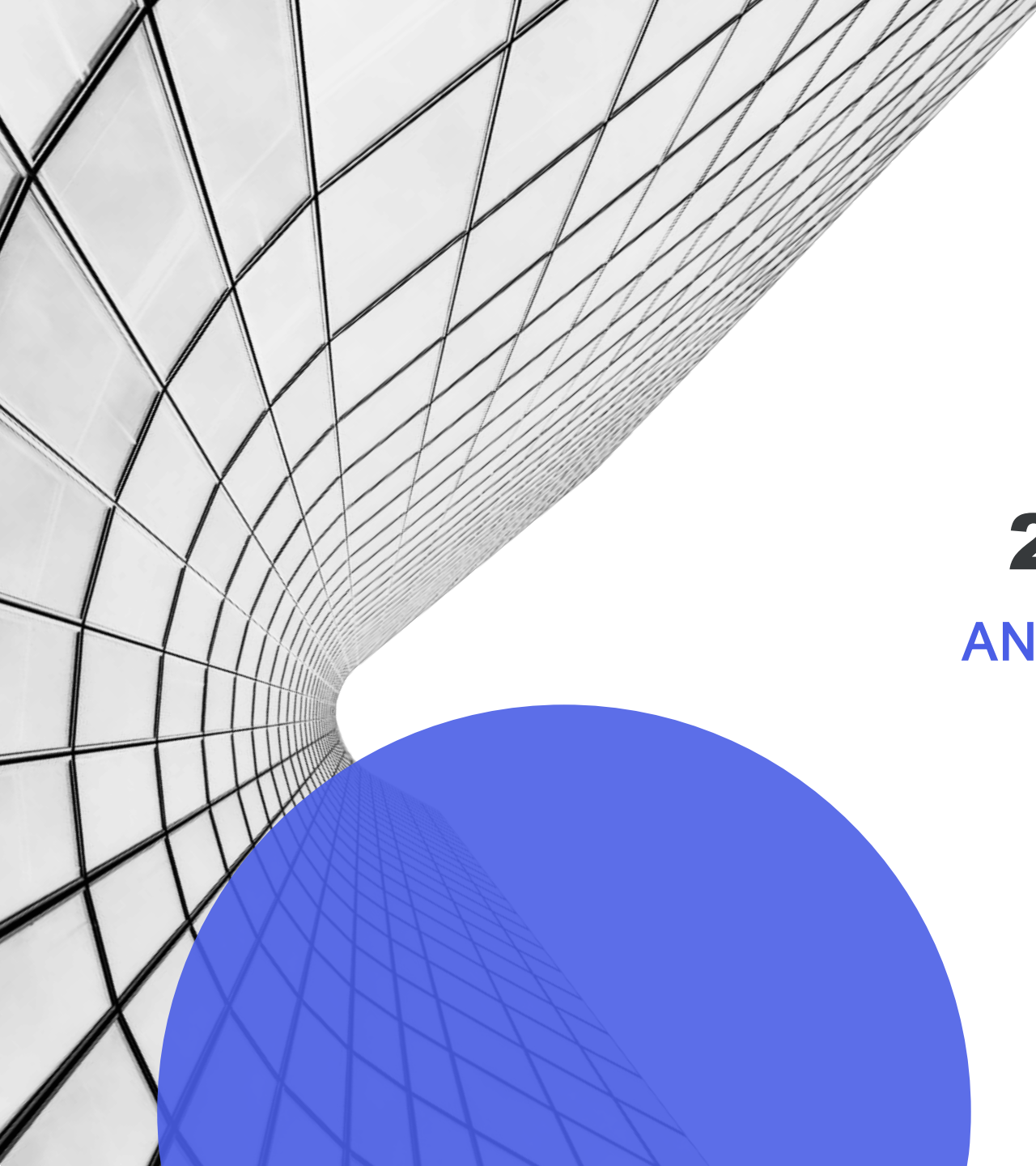
# HIGHLIGHTS

Another great year in the books for the Department!

- Awarded 16 9% LIHTC projects in 2023 round
- Received 29 4% LIHTC applications in 2023

# WORKSHOP TODAY

- Participants will be muted throughout the workshop.
- Please submit questions using the chat feature.
- The Department will periodically review questions submitted via chat during the workshop for response.
- Questions that need to be tabled during the workshop will be included in the clarifications posted on the Department's website.
- If your question is too lengthy to submit via chat, please send it to: [rental-qap@azhousing.gov](mailto:rental-qap@azhousing.gov) for response in the clarifications.
- Tracking Attendance Today as it is mandatory in our 2024-2025 QAP. You will receive a certificate from the Department.
- *Where a conflict exists between this PowerPoint Presentation and the 2024-2025 Qualified Allocation Plan (QAP), the QAP shall govern.*

The background of the slide features a perspective view of a grid of lines that recedes into the distance, creating a tunnel-like effect. A large, solid blue circle is positioned in the lower-left quadrant, partially overlapping the grid.

# **2024 9% ROUND**

**ANTICIPATED CREDITS: \$21,500,000**

# APPLICATION RESOURCES



- 2024-2025 QAP
- Application Forms
- UW Spreadsheet

[LIHTC Documents on ADOH Website](#)

# DEADLINES



**APR 1**  
**2024**

9% LIHTC Application  
By 4:00 PM MT

**ROLLING**  
**BASIS**

4% LIHTC Applications

**FEB 16**  
**2024**

STC Round - 4% Metro

**APR 1**  
**2024**

STC Round - 9% Rural

# COMPLIANCE TRAINING

An individual with responsibility for the project must attend ADOH Compliance Training at a minimum of every five (5) years.

Next ADOH LIHTC Training: February 6-9, 2024

## Contact Information:

For Program Compliance Requirements contact Corinna Waddell, [corinna.waddell@azhousing.gov](mailto:corinna.waddell@azhousing.gov) | (602) 771-1068

For Workshop Registration Information contact Kerry Soto, [kerry.soto@azhousing.gov](mailto:kerry.soto@azhousing.gov) | (602) 771-1056



# WRITTEN QUESTIONS

- UNTIL FEBRUARY 29, 2024
- CLARIFICATIONS POSTED

PLEASE SUBMIT TO:

[RENTAL-QAP@AZHOUSING.GOV](mailto:RENTAL-QAP@AZHOUSING.GOV)



# APPLICATION FORM & SUBMISSION

- Full Electronic Submission

[ADOH Rental Development Portal](#)

- ADOH Payment Portal



# 9% LIHTC



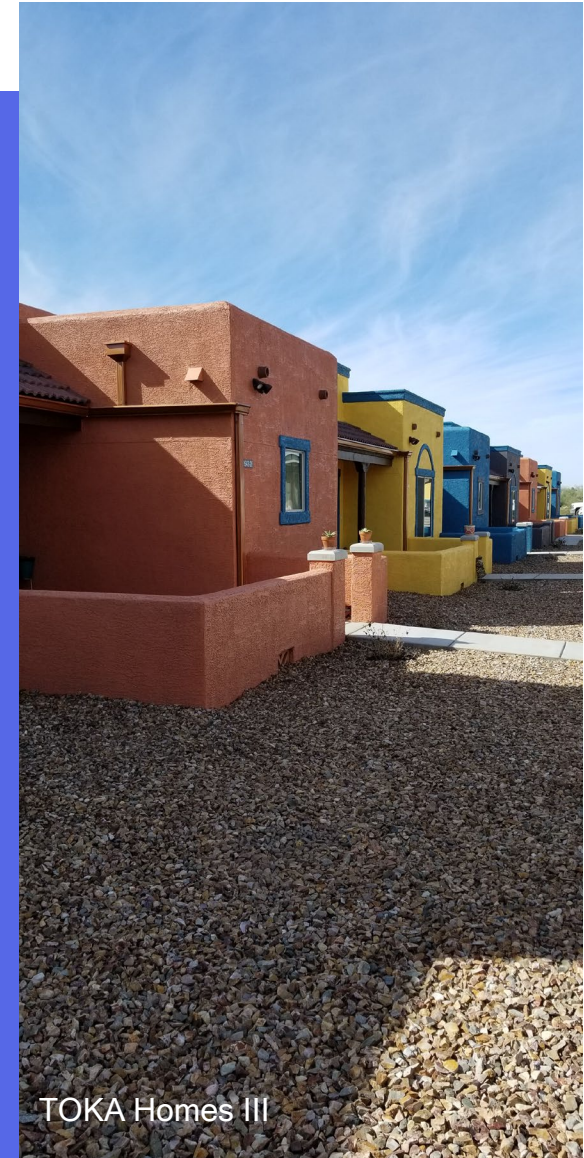
# 9% LIHTC SUBMISSION FORMAT

## PDF Files

- Tab A\_Application Documents\_Project Name.pdf
- Tab B\_Entity Documents\_Project Name.pdf

## EXCEL Files

- Underwriting Workbook\_Project Name\_Date.xlsx
- Application Workbook\_Project Name\_Date.xlsx



TOKA Homes III

# SELF SCORE SHEETS



# 9% LIHTC APPLICATION FORMS

---

Tab A -  
Application  
Documents

Applicant Certification and  
Indemnification

---

Application Workbook

---

Underwriting Workbook

---

# APPLICATION WORKBOOK UPDATES

- Please note some forms have changed numbers OR  
Tabs on the checklist have shifted to coincide with the 2024-2025  
QAP

## Examples (not comprehensive)

- Form 3
  - State Tax Credit Requested
  - Construction Type
  - Senior Housing (55+ or 62+)
- Form 2
  - Please select one set aside
- Form 4
  - Applicant and Developer added to Development Team Information

Federal LIHTC Requested:		<input type="text"/>
State Tax Credit Requested:		<input type="text"/>
<i>Senior Housing:</i>		<i>Senior Housing Population Served:</i>
# Units Targeted	% of Total	<input type="checkbox"/> 55+
	#DIV/0!	<input type="checkbox"/> 62+

# 9% LIHTC APPLICATION FORMS

Tab B -  
Entity  
Documents

Entity Documents

Financial Statements

Organization Chart

Non-profit Organization Documentation (if applicable)

Signature Block and Authorized Signer

Disqualification Certification

# 9% LIHTC APPLICATION FORMS

---

Tab C - Site Plan and Project Location	Site Plans and Elevations
	Site Control
	Floodplain - FEMA Map
	Zoning Verification
	Utility Connection Verification and Public Road Access
	Appraisal
	Market Need

---



# 9% LIHTC APPLICATION FORMS

---

Tab D Funding Sources

---

Tab E Relocation

---

# 9% LIHTC APPLICATION FORMS

Tab  
F

Community  
Revitalization  
Plans (CRP)

Formally adopted plan

Contributes to goals of CRP

Local gov't committed to non-housing investment

Local gov't certification (form 15)

Qualified Census  
Tract (QCT)

as of date of application  
submission

Difficult  
Development Area  
(DDA)

as of date of application  
submission

# 9% LIHTC APPLICATION FORMS

## REHABILITATION

---

Tab G LIHTC Resyndications

---

Tab H Scope of Work [New: Form 17](#)

---

Tab I Capital Needs Assessment

---

Tab J Existing Rental Assistance Contract

---

# 9% LIHTC APPLICATION FORMS

## NEW CONSTRUCTION

### Tab K Supportive Housing

#### Section 811 (selection on the self-score sheet)

- Senior Housing is not eligible
- Up to 20% of the units
- Underwrite like all of your units are LIHTC in case you are not selected for 811 units with our partner agencies

#### Tenant Based Rental Assistance (selection on the self-score sheet)

- At least 15% of the units
- Referrals may be made from Housing Authorities or agencies administering rental assistance

#### Rental Assistance (selection on the self-score sheet + supporting documentation)

- Targeting special populations such as: persons with disabilities, veterans, persons experiencing homelessness, victims of domestic violence and youth exiting foster care
- Forms of rental assistance: federal PBVs, Tribal HAP Agreements, Operating Reserve for TBRA, or other rental assistance
- Proof of rental assistance contract or for operating reserves route- a draft supportive service plan and a commitment letter from your service provider
- 15% or 30%+ units

# 9% LIHTC APPLICATION FORMS

## NEW CONSTRUCTION

### Tab L Amenities

- Google Maps -  
From Site  
Entrance, to or  
from the Amenity  
driving entrance



# 9% LIHTC APPLICATION FORMS

## NEW CONSTRUCTION

---

Tab M Historic

---

Tab N Land Lease

---

# 9% LIHTC APPLICATION FORMS

## NEW CONSTRUCTION

### Tab O Subsequent Phase

- was/were always planned as part of a phased development, as evidenced by written documentation that clearly establishes it was phased at the time of the first development;
- is/are the second or third phase; and
- is/are within 0.25 miles of the previous phase(s).

Fully constructed earlier phases must have:

- market demand study demonstrating a vacancy rate of less than five percent (5%), and
- waitlists representing at least fifty percent (50%) of what would be the proposed phases' units.

Earlier phases still under construction at the time of application must have:

- documentation demonstrating pre-leasing activities for the phase under construction; and
- waitlists of more than 100% for the phase under construction and the proposed phase.

*ADOH may require documentation that land was paid for only once.*

# 9% LIHTC APPLICATION FORMS

## **NEW CONSTRUCTION**

---

Tab P Homeownership Conversion

---

Tab Q Senior Housing

---

Tab R Incompatible Uses

---



# 9% LIHTC APPLICATION FORMS

## TRIBAL

---

Tab S Tribal Land

---

Tab T LOCCS Balance

---

Tab U Local Government RFP

---

Tab V Housing Authority Waitlist

---

# 4% LIHTC



# 4% LIHTC APPLICATION FORMS

---

Tab A -  
Application  
Documents

Applicant Certification and Indemnification

---

Application Workbook

---

IDA Letter (Delegation of Determination)

---

Underwriting Workbook

---

# 4% LIHTC APPLICATION FORMS

---

Tab B - Entity Documents	Entity Documents
	Financial Statements
	Organization Chart
	Non-profit Organization Documentation (if applicable)
	Signature Block and Authorized Signer
	Disqualification Certification

---

# 4% LIHTC APPLICATION FORMS

---

Tab C - Site Plan and Project Location	Site Plans and Elevations
	Site Control
	Floodplain - FEMA Map
	Zoning Verification
	Utility Connection Verification and Public Road Access
	Appraisal
	Market Need

---

# 4% LIHTC APPLICATION FORMS

---

Tab D Funding Sources

---

Tab E CPA Opinion

---

Tab F Relocation

---

Form 13 - All Applicants

---

Relocation Plan & GINs  
(if applicable)

---

# 4% LIHTC APPLICATION FORMS

## REHABILITATION

---

Tab G Scope of Work

---

Tab H Capital Needs Assessment

---

Tab I Existing Rental Assistance  
Contract

---

# 4% LIHTC APPLICATION FORMS

## **NEW CONSTRUCTION**

---

Tab J Qualified Census Tract

---

Tab K Difficult Development Area

---

Tab L Historic

---

Tab M Incompatible Uses

---



# UNDERWRITING REQUIREMENTS PRO-FORMA



- Vacancy Rate
- Trend Income by 2% & Expenses by 3%
- DSCR
  - 1.15 - 1.35 in Year 1 Trending Upwards
  - 1.10 - 1.50 in Years 1-15 Trending Downwards
- DDF - 0% interest

# UNDERWRITING REQUIREMENTS

- Operating Expenses
  - New Construction \$4,700 - \$5,200 PUPY

## Required Reserves

- Lease Up Reserves
- Operating Reserves
- Replacement Reserves



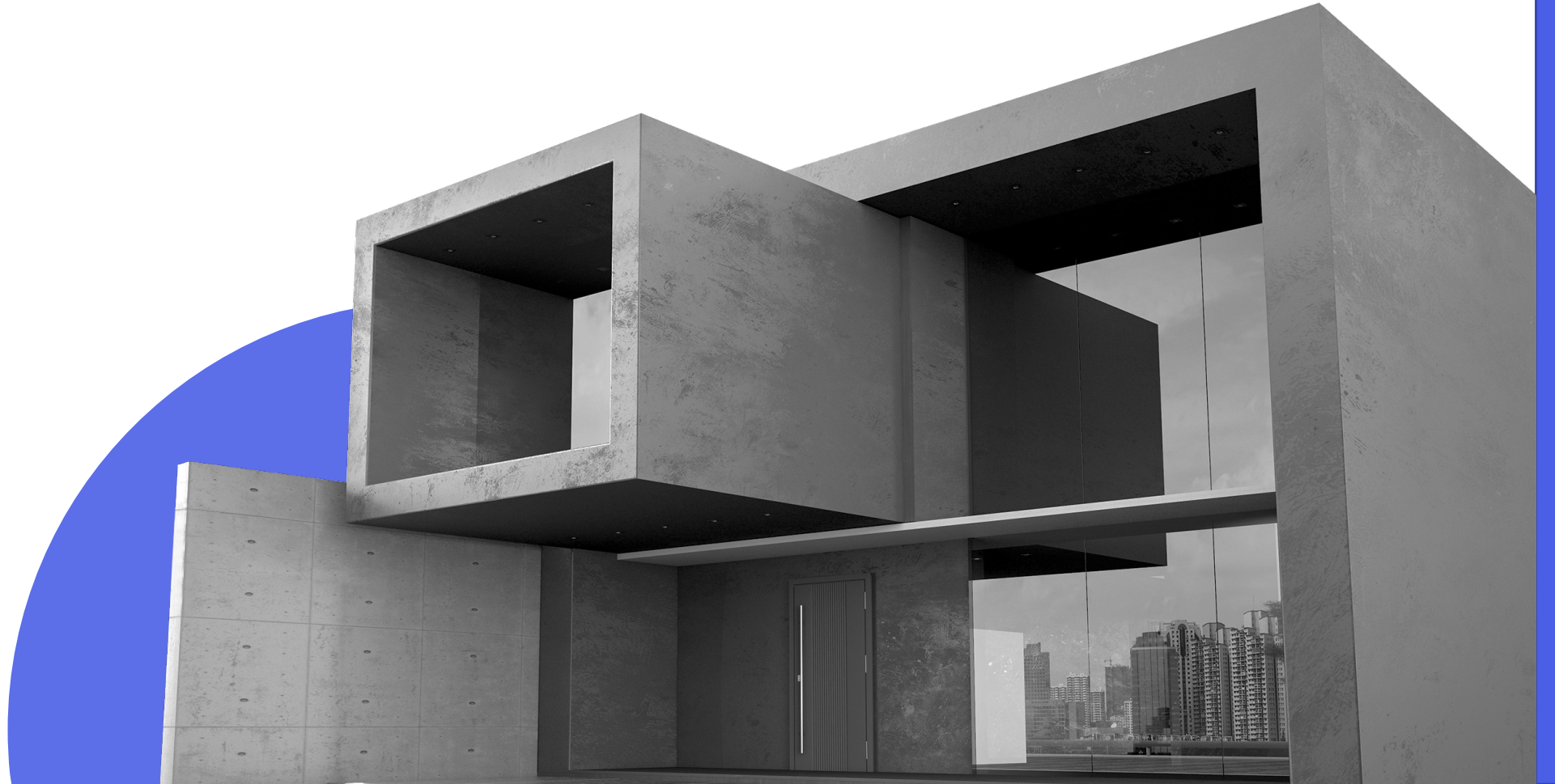
# EQUITY PRICING

- Survey of Syndicators
- Range Released
  - 2 months prior
  - 9% LIHTC range
  - STC range



Dunlap Pointe

# STATE TAX CREDIT



# STATE TAX CREDIT LIMITS

- Urban - \$2,000,000
- Rural - \$2,000,000
- Project Minimum - \$500,000
- Project Maximum - \$1,000,000

# STC APPLICATION REQUIREMENTS

## STC & 4% LIHTC

- LOI - STC Syndicator
- UW Workbook
  - STC Election
- Form 3
  - STC Requested

## STC & 9% LIHTC

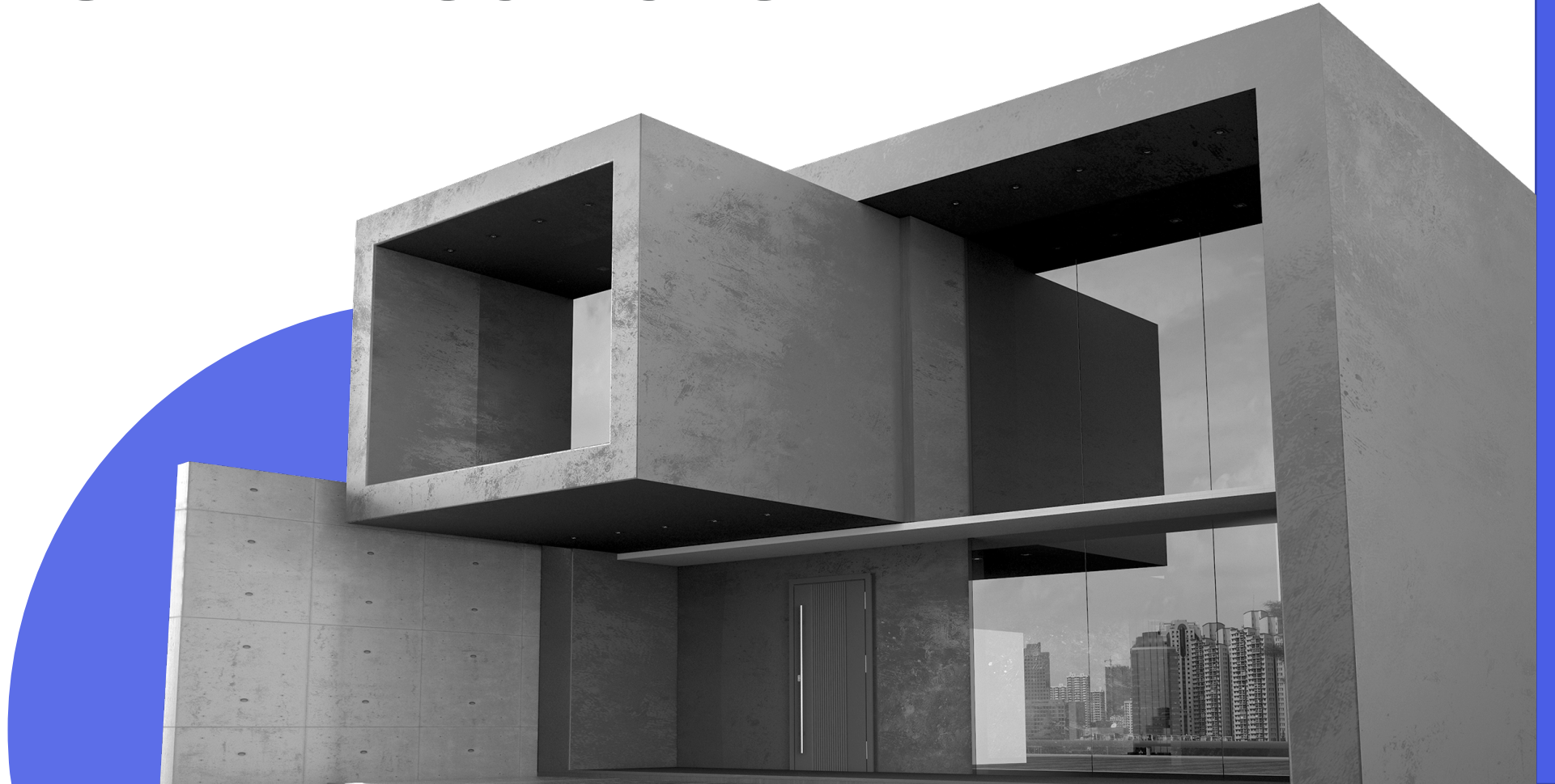
- LOI - STC Syndicator
- UW Workbook
  - STC Election
  - Secondary Workbook
- Form 3
  - STC Requested



# STC ALLOCATION ROUNDS

Allocation Year	Competitive Allocation Round	Date	Type	Amount
2024	1 <sup>st</sup> Round	February 16, 2024	4% Metro	\$2,000,000
2024	2 <sup>nd</sup> Round	April 1, 2024	9% Rural	\$2,000,000
2024	3 <sup>rd</sup> Round	July 19, 2024	4% Rural & Metro	Any Remaining

# **FY2024 NOFA 9% LIHTC RELEASED 11.30.2023**



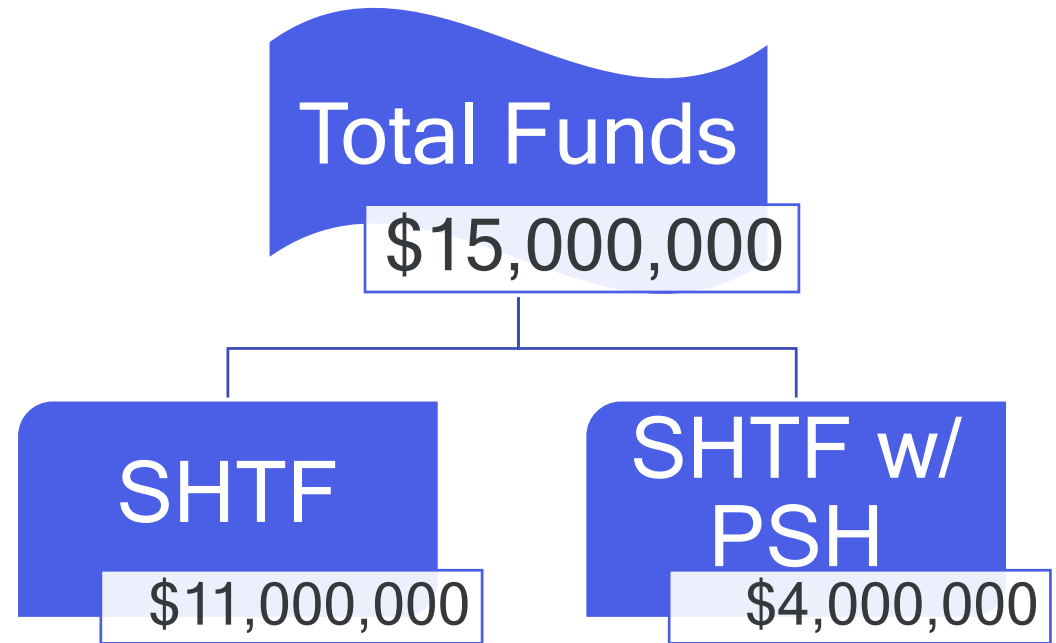


# FY2024 NOFA 9% LIHTC

## Eligible Projects Include

- New 9% Low Income Housing Tax Credit Applications in the 2024 round

## Amount Available



# SELECTION CRITERIA

## AMOUNT AVAILABLE TO **NEW 2024 9% LIHTC PROJECTS**

First

- Up to \$4,000,000 in ADOH gap financing to projects providing a minimum of 15% of the project's units to permanent supportive housing (PSH)

Second

- Projects will be awarded based on who scores the highest under the 2024-2025 QAP and applies for SHTF under this NOFA seeking gap financing

# FUNDING MAX + DEADLINE + APPLICATION

- Up to \$2,000,000 in SHTF per project maximum
- Must submit gap financing application with 9% LIHTC Application
- Please submit two underwriting workbooks - one including your SHTF request and one excluding a SHTF request in the event you are not awarded SHTF

# PERMANENT SUPPORTIVE HOUSING

- Permanent supportive housing is affordable rental housing combined with supportive services
- Supportive Services Plan
- Clearly identify the number of units in the application that will be PSH units
- PSH units must be set aside at 30% AMI Rents.

**Different from QAP**

# UNDERWRITING ADOH SHTF LOAN



Newport at Amphi

- 3% interest
- 20 year term
- 20 year affordability
- 50% SCF to ADOH

**REMEMBER:**

**THANK YOU  
FOR YOUR  
PARTICIPATION  
TODAY**

# WRITTEN QUESTIONS

- UNTIL FEBRUARY 29, 2024
- CLARIFICATIONS POSTED

PLEASE SUBMIT TO:

[RENTAL-QAP@AZHOUSING.GOV](mailto:RENTAL-QAP@AZHOUSING.GOV)