Working Paper

Preservation and Opportunity Neighborhoods in the Low Income Housing Tax Credit

September 2015

NATIONAL HOUSING TRUST

NOTE: *The information contained in this memo is constantly being updated as new Qualified Allocation Plans are released. This memo reflects one point in time. For the most up to date information, please see www.prezcat.org.*

Over the past five years, using a combination of incentives in their Qualified Allocation Plans (QAPs), state housing finance agencies have increasingly become interested in developing affordable housing for low-income people in neighborhoods with economic growth, quality schools, low crime, and access to services and/or transit. Providing access to housing in such neighborhoods is important. Equally important is preserving and improving affordable housing in the communities where low-income families already reside.

A balanced approach to fair housing provides affordable housing in areas of so called "opportunity" without abandoning investments in historically distressed, minority populated communities. A balanced approach

1) ***Recognizes that a significant amount of subsidized housing is located in areas of poverty;***
2) ***Promotes access to high opportunity communities through mobility; and***
3) ***Ensures that residents who remain in neighborhoods currently experiencing distress and concentrated poverty benefit from investments that improve their housing and increase their access to opportunity.***

States can and should be investing in communities of high opportunity while simultaneously preserving existing affordable housing *wherever it may* be. Many states are already seeking to create this balance in their QAPs. For example, both Ohio and Mississippi exempt preservation projects from some or all of their opportunity housing incentives. This incentivizes housing in geographic areas with strong schools or job markets, while not putting the preservation of existing housing at a disadvantage. A truly balanced approach to providing choice and opportunity to low-income families, seniors, and individuals would match incentives for developing in so called "areas of opportunity" with consideration of preservation in low-income communities.

OPPORTUNITY IN QUALIFIED ALLOCATION PLANS

In 2010, 5 states included language in their QAPs that encouraged development in areas of opportunity. **By 2015, 26 states incentivized opportunity in their Qualified Allocation Plans (QAPs)**. Most states have added this language in the past two years. The following states include opportunity language in their QAPs: ***Alabama, Alaska, Arizona, Connecticut, Delaware, Georgia, Illinois, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Texas, Virginia, and Washington, West Virginia, Wisconsin.***

Year Opportunity Language Added to QAP	State(s)
2010 or Before	Texas, Louisiana, North Carolina, Arizona, Alaska
2011	Massachusetts
2012	Minnesota
2013	Georgia, Kansas, Maryland, New Jersey, Ohio, Pennsylvania, Washington, Wisconsin, Michigan
2014	New York, Delaware, Connecticut, Maine
2015	Illinois, Virginia, Alabama, West Virginia, Missouri, Mississippi

OPPORTUNITY DEFINED

Because states have varying housing needs, population demographics, economic markets, and political climates, there is not a universally agreed upon definition of "opportunity." However, analysis of QAP policy language in states that incentivize opportunity shows there are four *primary* indicators of opportunity states are using: economic growth/job opportunity, access to good schools, community stability, and low poverty. (Note that some states may use indicators that fall outside of these four. For specifics on the exact indicators used by each state, please see "Preservation and Opportunity Language in Qualified Allocation Plans," on page 5.)

Economic Growth/Jobs. States such as New Jersey and Kansas use the economic growth or job accessibility of a neighborhood or community to determine opportunity. In New Jersey, a family project must be located in a community where the number of public and private sector jobs must total at least 95% of the total number of housing units. In Kansas, developments receive competitive points if they are located in a neighborhood experiencing economic development or job growth.

Good Schools. In Massachusetts good schools are an indicator of opportunity. Family projects receive points if located near high performing high schools, as measured by the percentage of 10^{th} grade students who received high state assessment scores. Massachusetts also looks at higher education opportunity- projects located within two miles of public universities, including community colleges, can receive points.

Community Stability. Community Stability refers to communities that are generally considered secure and healthy– as indicated by low crime rates, availability of public transportation and other services, and economic stability. In Maryland, projects receive points for proximity to jobs, health care, high performing schools, retail and commercial enterprise, and public amenities.

Low Poverty. States such as Louisiana and Virginia define opportunity, in part, by the level of neighborhood poverty. In Louisiana, projects located in census tracts that exceed 120% of the area median income can receive points. In Virginia, a project can receive opportunity points if located in a census tract with less than a 10% poverty rate.

Table 1. Opportunity Indicators in QAPs by State (as of August 2015)

	Economic/Job Growth	Good Schools	Low Poverty	Community Stability
AL			X	
AK	X			
AZ	X	X		
CT			X	X
DE				X
GA		X	X	
IL	X		X	
KS	X			
LA		X	X	
MA	X	X	X	X
MD	X	X	X	X
ME	X		X	
MI	X			X
MN	X			
MO			X	
MS	X		X	
NC			X	
NJ	X	X		
NY		X		X
OH*			X	
PA	X		X	X
TX		X		
VA			X	
WA	X	X		X
WI	X			
WV	X	X	X	X

*Ohio's fair housing incentives apply to new rental units only.

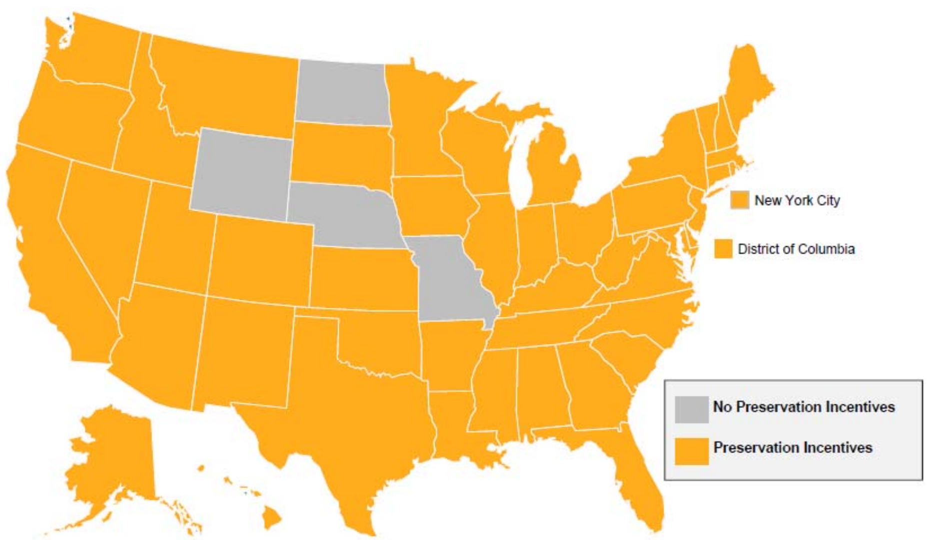
Incentives. States incentivize the development of affordable low-income housing in opportunity areas through four categories of incentives– points, priorities, thresholds, or set-asides.

- *Threshold:* MA, NC
- *Set-Aside:* MI, PA
- *Points:* AK, AL, AZ, CT, DE, GA, IL, LA, MA, MD, ME, MN, MS, NJ, NY, OH, PA, TX, VA, WA, WI, WV
- *Stated Priority:* AZ, MD, MO, KS

Evolving QAP Language. As states annually assess their needs and resources, opportunity language in their QAPs has changed over time. In 2013, Georgia included points for "Growth Areas," defined as a community in which the population percent change is greater than the population percent change for the State for the most recent data year. By 2015, the Georgia QAP included points for high performing schools and low poverty census tracts. In Massachusetts, the 2011 QAP awarded points for location in a low poverty area as the sole indicator of opportunity. By 2015, Massachusetts added several other indicators including good schools, access to employment, and access to health care.

PRESERVATION IN QUALIFIED ALLOCATION PLANS

States have long been incentivizing preservation in their QAPs. **In 2003, at least 34 states were doing so, and by 2015, that number has increased to 46.** The following states incentivized preservation in their QAPs in 2015[1]:



PRESERVATION DEFINED

Much like states have different definitions of "opportunity," there is not one universally agreed upon definition of preservation. However, analysis of QAP policy language in states that incentivize preservation shows there are five *primary* definitions of preservation that states are using: existing *market rate* affordable properties, existing *subsidized* affordable properties, at-risk properties, rehabilitation, and a definition based on current levels of occupancy. (For specifics on the exact definitions used by each state, please see "Preservation and Opportunity Language in Qualified Allocation Plans," on page 5.)

WHY PRESERVE

Regardless of varying definitions, it is clear that states recognize the vital importance of preservation.

Preserving existing affordable housing is the obvious first step to meet our country's rental supply needs. For every new affordable apartment created, two are lost due to deterioration, abandonment

[1] Most recent QAPs as of August 2015.

or conversion to more expensive housing. Without preserving existing affordable housing, we fall two steps back for every step we take forward.

Preserving existing affordable housing stabilizes neighborhoods and revitalizes communities. In distressed neighborhoods, preserving affordable housing can catalyze the revitalization of an entire community. Saving decent, affordable housing means saving a critical community asset. It also signals the reversal of years of neglect and disinvestment and can spark the public-private investment that is essential for community revitalization.

Preservation and Opportunity Language in Qualified Allocation Plans

Reminder: *The information contained below reflects one point in time. For the most up to date information on QAP language, please see www.prezcat.org.*

Alabama (2015 QAP)

Preservation: Alabama Housing Finance Agency's (AHFA) 2015 Qualified Allocation Plan awards points for rehabilitation projects.

The first of Alabama's 4 housing priorities is stated as "projects that add to or significantly upgrade the existing affordable housing stock."

The minimum rehabilitation threshold is a) $20,000 per unit of hard construction cost for projects not funded previously with funds from AHFA, b) $12,500 per units of hard construction cost for projects funded previously with funds from AHFA per qualified low-income unit based on hard construction costs.

A maximum of 5 points are available for Project type:

4 point will be given for the rehabilitation of a project with an existing AHFA HOME loan that matures prior to or within the year covered by the applicable QAP. In order to be eligible for these points, the proposed project must have paid 100% of the HOME loan (principal and interest) or received an AHFA approved 15 year extension of the HOME loan.

1 point will be given for rehabilitation of existing buildings that provides sufficient evidence that the project qualifies for the Alabama Historic Rehabilitation Tax Credit.

1 point will be given for rehabilitation of existing multifamily residential rental housing, replacement of multifamily housing or replacement of previously existing multifamily housing. Previously existing multifamily is defined as multifamily housing that has been removed within the last 2 years or will be removed for new replacement housing on the same site.

Rehabilitation projects are defined as being at least 50% or more occupied at the time of application.

Opportunity: A maximum of 2 points will be given to a project located in a census tract where the Median Family Income from the 2010 census data (2010 ACS 5 Year) is equal or above the following percentages (rounded down) of the county's 2014 Annual Median Family Income published by HUD:

- 1 point for 60% - 79%
- 2 points for 8-% or more

Alaska (2014 QAP)

Preservation: Alaska's 2014 QAP awards 2 points to all projects involving rehabilitation. Rehabilitation projects must, at minimum, consist of some kind of building renovation and/or demolition and reconstruction where a building is currently located.

Under Alaska's 2014 QAP, projects are required to meet a minimum rehabilitation cost, which must be the greater of $15,000 per unit or 10% of the "adjusted basis" of the building. Rehabilitation work must also consist of items that are more than just cosmetic in nature and include only physical items.

Opportunity: Alaska's 2014 QAP provides up to 15 points for projects located in areas of opportunity, defined by the unemployment rate:

- Unemployment rate is 2.5% or more below the state average: 15 points
- Unemployment rate is at least equal to the state average: 12 points
- Unemployment rate is no more than 1% above the state average: 10 points
- Unemployment rate is no more than 3% above the state average: 8 points
- Unemployment rate is no more than 5% above the state average: 4 points
- Unemployment rate exceeds the state average by more than 5%: 0 point

Additionally, up to 15 points will be awarded based on average population growth rates over the most recent three year period using *City and Census Designated Place data.* Points will be awarded to projects based in communities with populations of 6,500 or higher. In cases where the community population is less than 6,500 points will be awarded based on the less of 1) the average growth rate for the specific community and 2) the average three year growth rate for the borough or census area associated with the community. Points will be assigned as follows:

- Population growth in the city, borough, or census area over the past 3 years is ≥ 2.5%: 15 points
- Population growth in the city, borough, or census area over the past 3 years is ≥1.75% but <2.5%: 12 points
- Population growth in the city, borough, or census area over the past 3 years is ≥1.0% but <1.75%: 10 points
- Borough or census area population is less than 6,500, but population growth over the past 3 years is >0%: 8 points
- Population growth in the city, borough, or census area over the past 3 years is ≥0.5% but <1.0%: 6 points
- Population growth in the city, borough, or census area over the past 3 years is ≥0% but <.5%: 4 points.

Arizona (2015 QAP)

Preservation: Two of the stated goals of Arizona's 2015 QAP are "to enable substantial rehabilitation of existing rental housing in order to prevent losses to the existing supply of affordable Units" and "To prevent the loss from the existing stock of low-income rental housing of those Units under expiring contracts with federal agencies or subject to prepayment which, without the Allocation of Tax Credits, would be converted to market rate Units."

Projects qualifying as acquisition/rehabilitation earn 10 points. For the calendar year 2015, applicants must demonstrate rehabilitation expenditures of at least $6,600 per low-income unit.

While only projects that include the rehabilitation of multi-family housing (currently operation or vacant and previously operational as multi-family housing) shall qualify for a point in this scoring category, 10 points are also available to projects proposing the acquisition/demolition and new construction of a blighted structure.

Projects containing rehabilitation and new construction components shall qualify for points in this category only if the rehabilitation units total 50% or more of the total project, and 100% of those units must be rehabbed. Projects with rehabilitation units less than 50% of the total project will be considered new construction.

Projects that have project based Rental Assistance, at the time of Application, for at least 90% of the Units, earn 20 points. Applications must include commitments for continuing rental payments, as well as a description of the terms of the commitment and provisions for renewal.

Opportunity: Arizona's 2015 QAP includes the following goal: "to develop affordable rental housing units in areas with the highest market demand while avoiding concentration of affordable properties in distressed areas."

Under the "Occupancy Preferences" section, projects that serve households with children are eligible for 5 points if the project is located within school boundary lines of a school rated "B" or better by the Arizona Department of Education at the time of application.

Connecticut (2014 QAP)

Preservation: Connecticut's 2014 QAP awards up to 5 points for preserving at-risk affordable housing, defined as existing occupied affordable housing that is at risk of conversion to unregulated use (expiring use restrictions) and has identified rehabilitation needs. Properties must be at risk of conversion within 3 years of the LIHTC application due date. Renovation of vacant and blighted units will be counted as new.

2 points are available for moderate rehabilitation;

5 points are available for substantial rehabilitation.

There must be a minimum construction hard cost expenditures of $25,000 per unit for all rehabilitation projects.

Opportunity: Connecticut's 2014 QAP awards 6 points to projects located in a community where there is greater than or equal to 75% owner occupied single family detached homes as determined in the most recent available Census or American Community Survey data. The 2014 QAP also awards 5 points to projects located in a community where there is less than 10% affordable housing as identified on the Affordable Housing Appeals List.

Delaware (2014 QAP)

Preservation: DSHA's 2014 QAP establishes a preservation/rehabilitation pool of $973,415. Developments will compete only within their respective pools. Developments will be ranked within their respective pool and the highest scoring developments in each pool will be separately evaluated to determine the amount of tax credits required.

Preservation is defined as:

A. *Tax Credits*: Any tax credit housing development, which has completed its compliance period that is in (1) in need of substantial rehabilitation or (2) at risk of losing its affordability.

B. *Subsidized*: Any currently occupied subsidized housing development and/or demolition/new construction of subsidized units (see definition of subsidized housing) (1) in need of substantial rehabilitation or (2) at risk of losing its affordability.

To further prioritize preservation developments, points will be awarded for each of the following factors up to a maximum of ten (10) points.

1. Require hard cost/rehabilitation expenses that exceed $50,000/unit*: 4 points.
2. Have committed federal rental assistance contracts: 3 points.
3. Property was placed in service on or before December 31, 1993: 2 points
4. Property is a family development: 1 point.

*All hard/rehabilitation costs will be for the building housing the units and units only. Costs not to be included in the $50,000/unit, include but are not limited to, all offices, community rooms/buildings, storage areas, maintenance areas, and separate laundry facilities, all exterior work not an integral part of the building or units, all site costs, bonds, and all work not of a standard nature such as installation of awnings or solar panels.

In order to qualify for Section A (*Tax Credits*), the applicant must meet the definition of substantial rehabilitation or submit written confirmation from the Tax Credit allocation agency that the development's affordability expiration is imminent.

In order to be eligible under Section B (*Subsidized*,) the applicant must:

- meet the definition of substantial rehabilitation or provide written confirmation from the contract administrator of imminent expiration of affordability controls within two (2) years of application;
- provide a letter of confirmation that the funding source is interested in receiving an application for all applicable assistance and
- commit to making an application for continued project-based housing assistance payments and/or rental assistance payments for the longest possible period and to continue to re-apply for extensions.

The obligation to apply for rental assistance payments will be a condition of any Tax Credit preliminary reservation and/or carryover agreement and a confirmation of rental assistance payments must be received prior to construction closing.

A Rehabilitation development is considered to be undergoing *substantial rehabilitation* if the minimum rehabilitation cost per unit is at least $30,000 of hard cost and meets both of the following conditions (unless otherwise approved by DSHA):

- Condition One: The building's most recent use has been residential.
- Condition Two: One hundred percent (100%) of the units within the existing structural framing are being rehabilitated.

Qualified expenditures for substantial rehabilitation must be the greater of $6,500 of qualified basis per low-income unit or 20% of unadjusted basis.

Developments with rehabilitation and new construction combined will not be considered rehabilitation developments if more than 25% new units are added (unless HUD public housing program. Conversely, for projects that are removing units for accessibility purposes or adding a community center, at least 75% of the original unit configuration must be maintained. Any development allocated rehabilitation credits must vacate units in order to complete renovation activities and also provide relocation assistance to tenants in accordance with the more stringent of the "DSHA Residential Anti-displacement and Relocation Plan" or the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, and current HUD handbooks.

Opportunity: In order to balance housing investments and encourage the creation of affordable housing opportunities within the State of Delaware in areas that contain little or no affordable housing, but which may offer economic opportunity, proximity to the workplace, additional school choices, or supportive infrastructure, five (5) points will be awarded to developments that are in Areas of Opportunity. Developments can be Preservation or New Creation.

DSHA has defined areas of the state as follows:

Severely Impacted – Homeownership rate less than 50% and subsidized rental housing greater than 25%.

Impacted – Areas that contain concentrations of racially, ethnically, and/or Low/Moderate-Income persons.

Areas of Opportunity – All areas that do not meet the above and are within a State Strategy area of Level 1, 2, or 3.

Georgia (2015 QAP)

Preservation: Georgia's 2015 QAP awards 6 points to 7 applications that best meet DCA's preservation priority. The seven applications accumulating the most preservation priority points will each be awarded 6 points. Tiebreakers will be determined by those applications requesting the least amount of credits. Applications are evaluated based on the following criteria.

Six points are available for an application proposing to pay the full balance of a DCA Home Loan OR five points for an application that proposes to rehabilitate an existing tax credit property which has met or will meet the 15-year Compliance Period prior to the earlier of the date of acquisition by the new development owner or the end of the year of the carryover allocation. Only properties that originally received an award of 9% credits and continue to be subject to extended us restrictions are eligible for points.

Two points are available for an application that proposes to preserve a project with a commitment of government-awarded rental assistance or subsidies for at least 25% of residential units for a minimum of five years. One point is available for an application that proposes to rehabilitate a project that has not been previously rehabilitated.

Two points are available for an application that has a documented average physical occupancy of at least 90% for the 6 month period prior to application submission OR 1 point is available for an application that a documented average physical occupancy of at least 80% for the 6 month period prior to application submission.

Two points are available for an application that proposes to rehabilitate an existing tax credit property with a compliance period that began at least 20 years prior to the application submission. 1 point is available for properties with a compliance period that began at least 18 years prior to the application deadline.

Two points are available for an application proposing rehabilitation, where the construction hard costs are at least 45% of the Total Development Costs.

In addition, two points are available for an application that has received a letter from USDA/HUD designating a property as high priority. Two points are also available for an application that has received a letter from DCA Portfolio Management designating the property as a high priority.

Opportunity: Projects in the Flexible Pool will receive 4 points for being located in a census tract that is less than 5% below the Poverty level and is designated middle or upper income level (according to US Census definitions). Projects will receive 3 points for being located in a census tract that is less than 10% below poverty level and is a designated middle or upper income level, and 2 points for location in a census tract that is less than 15% below poverty level and is designated middle or upper income.

Projects in the Rural Pool will receive 3 points for being located in a census tract that is less than 15% below poverty level and the tract median family income percent is greater than 100%. Projects will receive 2 points for being located in a census tract that is less than 20% below poverty level and the tract median family income percent is greater than 100%.

Two points are available for family developments located in the attendance zone of a high performing school, based the College and Career Readiness Performance Index (CCRPI) for K-12. Primary or elementary (K-5) schools must receive a 78 or greater, Middle or junior high (6-8) schools must receive a 75 or greater, and High (9-12) schools must receive a 72 or greater. One point is available if one, but not all, of the schools in the attendance zone has an above average CCRPI score.

Charter schools can qualify if they have a designated (not district wide) attendance zones that includes the property site and serves at least three grades.

Illinois (2015 QAP)

Preservation: Acquisition/rehabilitation Projects that have existing federal project-based rental assistance contract on 50% or more of the units are NOT eligible to apply for 9% Tax Credits unless a Waiver of 4% Feasibility is obtained. Requests for a Waiver of 4% Feasibility must be made 30 days prior to Application due date.

IHDA’s 2015 QAP awards up to 7 points for projects that involve the rehabilitation of existing buildings, depending on the percentage of hard residential construction costs.

- 3 points - 25.0% - 49.99% of Hard Residential Construction Costs Attributable to Rehabilitation
- 5 points -- 50.0% - 74.99% of Hard Residential Construction Costs Attributable to Rehabilitation
- 7 points - 75.0% or more of Hard Residential Construction Costs Attributable to Rehabilitation

Opportunity: Opportunity Area - Projects that are located in an Opportunity Area, as evidenced through submission of a Scoring-Opportunity Areas Certification can earn (10) points.

A list of the Opportunity Areas by Set-Aside can be found on the Website in a document entitled "2015 Illinois Opportunity Areas." For purposes of this section, an Opportunity Areas is any place in Illinois with a geographic parameter of either: a Illinois municipality with a population greater than 1,000 and less than 5,000; or any Illinois census tract in municipalities with populations equal to or greater than 50,000 which also meet all the follow determination metrics:

1) The percentage of people in poverty (as defined in the ACS) in the municipality or census tract is less than the average percent of people in poverty for all places (cities, towns, villages, and Census Designated Places) in Illinois;

2) The jobs to population ratio in the municipality or census tract is greater than the average jobs to population ration for all places in Illinois. The jobs to population ratio is calculated by dividing the total number of jobs located within each community by the estimated population of the community (as defined in the ACS). The jobs to population ratio for all Illinois municipalities and census tracts can be found independently on the Website in a document entitled ‘Jobs to Population Ratio – Illinois Communities’;

3) The Percent of People Unemployed in the municipality or census tract is less than the average Percent of People Unemployed for all Places in Illinois (as defined in the ACS) ;

4) Less than 10% of the rental housing stock in the municipality or census tract is funded with Authority-administered funding; and

5) Less than 20% of the rental housing stock in the municipality or census tract is funded with Authority-, HUD-, and/or USDA-RD-administered funding.

Once a municipality or census tract is determined to be an Opportunity Area, it will retain this designation for four (4) years. Opportunity Areas will be updated and posted to the Website; and new Opportunity Areas may be added with each determination. Please refer to the 2015 Illinois Opportunity Areas on the Website for the full list of communities, as well as further description of geographic parameters and determination metrics.

Kansas (2015 QAP)

Preservation: Kansas' 2015 QAP identifies the preservation of housing with HUD Section 8 or USDA Housing Assistance contracts as a priority housing need. Projects are able to receive 15 bonus points for each priority need that they meet, up to 45 points. Projects that rehabilitate existing structurally sound and energy efficient affordable housing can receive points based on hard costs:

5 points for $10,000 - $15,000 per unit

10 points for $15,001 - $20,000

per unit 15 points for $20,001 - $25,000

per unit 20 points for over $25,001 per unit

Developments that preserve existing affordable housing that would be subject to foreclosure or default due to deteriorating physical conditions, high vacancy, or poor financial performance will receive 10 points.

There is a $10,000 minimum rehabilitation cost per unit averaged over a building. Existing low income properties under a threat of foreclosure and removal of existing tenants will be given a priority for financing.

Opportunity: Housing Priority - any development in a market area that is experiencing job growth and economic development where tax credit housing can have an impact and documented with letters from employers/city officials/economic development representatives/government officials, newspaper articles or studies.

Louisiana (2015 QAP)

Preservation: Louisiana's 2015 QAP awards up to 8 points for non-scattered site rehabilitation projects.

- 6 points - Abandoned projects, projects that are substandard and have been vacant for at least six months.
- 7 points - Projects with substantial rehabilitation or conversion of a historic property.
- 8 points - Projects with rehabilitation or conversion of a non-historic property.

Projects with scattered site substantial rehabilitation or infill can receive 10 points.

Louisiana's 2015 QAP adds a new category of points: Preservation Priority Project, under which a project can receive 10 points.

- 10 points – Developments with Project Based Section 8 for at least 100% of the units or federally funded (such as USDA, HUD, or PHA) rental subsidy for at least 60% of the units

- 9 points - Developments with Project Based Section 8 for at least 60% of the units or federally funded (such as USDA, HUD, or PHA) rental subsidy for at least 40% of the units

- 8 points - Developments with Project Based Section 8 for at least 30% of the units or federally funded (such as USDA, HUD, or PHA) rental subsidy for at least 20% of the units

Opportunity: De-concentration projects can receive up to 22 points. Points for projects that deconcentrate poverty through geographic or project diversity.

For Project Diversity, a project can receive

- 4 points if the percentage of low income units does not exceed 60% of the total units
- 8 points if the percentage of low income units does not exceed 50% of the total units
- 10 points if the percentage of low income units does not exceed 40% of the total units

For Geographic Diversity, a project can receive:

- 10 points if the project is located in a census tract in which the median income exceeds 120% of the area median income for the Parish
- 12 points if the project is located in a census tract in which the median income exceeds 150% of the area median income for the Parish

Louisiana's 2015 QAP also awards 1 point under "Neighborhood Features" if a project is located within 1 mile of an elementary school that received a "B" or better by the Louisiana Department of Education.

Additionally, projects which promote geographic diversity by being located in a census tract with high area median incomes will, in the case of a tie, be prioritized.

Maine (2015 QAP)

Preservation: MaineHousing established eight (8) housing priorities for allocation of LIHTC, including projects that significantly rehabilitate and preserve existing affordable rental housing.

The state also provides a preservation set-aside of up to $300,000 for one existing multi-family property that is subject to a restrictive covenant requiring any of the housing units to be affordable to persons with income at or below 80% of area median income and which satisfies the minimum rehabilitation requirements set forth in that QAP.

MaineHousing awards 3 points for the rehabilitation or reuse of existing housing, structure or site. Developments are awarded 3 points if the project either:

1. Involves the rehabilitation of existing multifamily housing containing 5 or more units without displacing existing tenants or increasing tenant's housing costs by more than 10%, or
2. Involves the rehabilitation remediation or reuse of an existing substantial building or structure other than multifamily rental housing, or
3. Utilizes a site on which buildings or structures have been or will be demolished to redevelop the site, or
4. Utilizes a vacant site in the downtown, other city or town center, or

5. Utilizes a site designated by a municipality for redevelopment to renew a blighted area.

Opportunity: The state will award points for properties located in areas with a **differential between tax credit rent and market rent**:

- 1 point for properties in areas where the average market rent for comparable multi-family rental housing is at least 5% higher than the average maximum tax credit rent for housing occupied by individuals and families with income at or below 60% of area median income.
- 2 points for properties in areas where the average market rent for comparable multi-family rental housing is at least 10% higher than the average maximum tax credit rent for housing occupied by individuals and families with income at or below 60% of area median income.

Maine Housing will award 2 points if the Project is located in (a) a municipality with an **area median household** income of $40,000 or more, or (b) a Qualified Census Tract and at least 20% of the units in the Project are market rate units.

One (1) point will also be awarded to properties located in a **Certified Business-Friendly Community**.

Maryland (2014 QAP)

Preservation: Maryland's 2014 QAP designates "Preservation of Existing Affordable Housing" as a priority funding category.

To meet this priority, the project must involve the acquisition and rehabilitation of an existing multifamily rental housing development, whether or not it has existing rent or income restrictions, provided the project:

1. Agrees to affordability restrictions for at least thirty (30) years; and

2. Is not financially feasible using tax-exempt bond financing, as determined by DHCD.

For the purpose of qualifying for this priority, rehabilitation means repair of or alterations to an existing building, or buildings, where a majority of the structural elements of the original building or buildings, at a minimum, is incorporated into the finished project. In its discretion, DHCD may permit a project to meet this priority if the project involves the demolition and replacement of an existing occupied housing project if rehabilitation of the existing building or buildings is infeasible or impractical. The replacement project must comply with DHCD's policies concerning displacement and relocation of existing tenants.

As a threshold requirement, total hard construction costs (exclusive of feed or overhead items) of rehabilitation for projects must be at least $15,000 per unit and supported by a building evaluation report performed by an engineer or other qualified professional.

Two (2) points will be awarded to a project that involves the acquisition and rehabilitation of an existing multifamily rental housing development, whether or not it has existing rent or income restrictions, provided the project agrees to affordability restrictions for at least thirty (30) years. For purposes of receiving these points, rehabilitation means repair of or alterations to an existing building, or buildings, where a majority of the structural elements of the original building or buildings, at a minimum, is incorporated into the finished project. In its discretion, DHCD may permit a project to receive these points if the project involves the demolition and replacement of an existing occupied housing project if rehabilitation of the existing building or buildings is infeasible or impractical. The replacement project must comply with DHCD's policies concerning displacement and relocation of existing tenants.

Opportunity: Housing Priority- Family Housing in Communities of Opportunity

To meet this priority, the project must be general occupancy housing with reasonable access to jobs, quality schools, and other economic and social benefits, as demonstrated by meeting at least one of the following two criteria:

1.) Be located in a "Community of Opportunity" as shown on the Maryland QAP Comprehensive Opportunity Maps posted to the DHCD Web site at http://www.mdhousing.org/website/DHCDmapper.aspx

The Communities of Opportunity designated on the Maryland QAP Comprehensive Opportunity Maps are based on a "Composite Opportunity Index" developed by DHCD. The Composite Opportunity Index uses publicly-available data and is based on three major factors: community health, economic opportunity, and educational opportunity. To be designated a Community of Opportunity, and mapped as such to the Maryland QAP Comprehensive Opportunity Maps, the community must have a Composite Opportunity Index that it is above the statewide average.

The three major indicators that comprise the Composite Opportunity Index are:

Community Health: The community health indicator represents the wealth and quality of life in a community relative to the State average. The community health indicator has six components, as follows:

- Median household income obtained from the U.S. Census' American Community Survey (ACS) 2007-2011, five-year estimate. Household income is positively correlated with community health. Higher household incomes support a more diversified economic base and enhance the tax basis and services of its local government.
- Ratio of owner-occupied to all occupied housing units (a proxy for homeownership rate) obtained from the ACS 2007-2011, five-year estimate. A higher homeownership rate indicates the economic stability of a community, which is positively correlated with community health.
- Median value of owner-occupied housing units obtained from the ACS 2007-2011, five-year estimate. This statistic indicates the strength of a community's real estate market relative to the average statewide market condition and is highly correlated with community health.
- Population growth between 2010 and 2012 obtained from the Economic and Social Research Institute (ESRI) 2012 community profile. A component of population growth is the number of people relocating to a community so this measures the quality of life in a community and is positively correlated with community health.
- Poverty rate, obtained from the ACS 2007-2011, five-year estimate. The poverty rate highlights the detrimental impact of concentrated poverty on quality of life in a community. This variable is inversely correlated with community health.
- Property vacancy rate obtained from the ESRI 2012 community profile. An elevated property vacancy rate negatively impacts community health. Vacant property is often correlated with higher crime and depreciation of property values in a community.

Economic Opportunity: Economic opportunity measures the extent to which a community provides employment opportunity and mobility to its residents. Employment opportunity is measured by the following variables:

- Prevailing unemployment rate obtained from the ACS 2007-2011, five-year estimate. This variable, which measures employment opportunity in a community, is inversely related with economic opportunity.

- Median commute time to work obtained from the ACS 2007-2011, five-year estimate. The commute time measures proximity to regional employment opportunities and is inversely related with economic opportunity.

Educational Opportunity: Educational opportunity measures the outcomes of student performance and educational attainment in the community. This indicator is measured by the following variables:

- Maryland School Assessment (MSA) scores, proficient and advanced, for elementary, middle, and high school students obtained from Maryland Department of Education for the 2011/2012 academic year. These scores play a key role in determining educational advancement as well as opportunities available to students. The MSA scores are positively correlated with educational opportunity.
- Percent of population with a college degree (both undergraduate and graduate degrees) obtained from the ACS 2007-2011, five-year estimate. This variable is positively related to educational opportunity.

- Percent of population with no high school diploma, obtained from the ACS 2007-2011, five-year estimate. This variable is inversely related with educational opportunity.

2.) Be located in a geographic area defined by applicable law as a community of opportunity for affordable family housing or identified as such by an order or consent decree entered by a federal or State court of competent jurisdiction or by a settlement agreement to which DHCD or a local government in Maryland is a party. As of the publication of this Program Guide, DHCD is aware of one such settlement, in the case of Thompson v. HUD. The following link provides information on census tracts designated as communities of opportunity in the Thompson case:
http://www.mbquadel.com/Portals/0/Downloads/Allowable%20Census%20Tract.pdf

Massachusetts (2015 QAP)

Preservation: For the 2015 QAP, the Department of Housing and Community Development (DHCD) will continue to use four priority funding categories. **All applications will be required to fit within one or more of the following categories:**

2. Investment in distressed and at-risk neighborhoods where strategic housing investment has strong likelihood of catalyzing private investment, improving housing quality, and promoting occupancy at a range of household incomes;

3. Preservation of existing affordable housing that extends affordability;

While DHCD intends to allocate 30% of available credits to preservation projects (and an additional 20% of the credit to two HOPE VI projects described in the 2015 QAP), applicants must be able to demonstrate to DHCD's satisfaction that the project is infeasible as a tax-exempt project with 4%

credits. Additionally, **a preservation project will be considered under this set-aside only if it qualifies under at least one of the following subsections:**

- *The housing is at risk of loss due to market conversion.* Typically, projects qualifying under this subsection will be existing affordable housing projects whose owners are able either to opt out of the Section 8 subsidy contract or prepay the existing mortgage financed through HUD, MassHousing or Rural Development. In addition, some projects are reaching the end of their 30 or 40 year governmentally financed mortgages, or governmental use restrictions. In general, projects will not be considered for funding under this set-aside unless they can be converted to market within 36 months. Rare exceptions may be made for particularly valuable projects in the strongest market areas.

- *The housing is at risk of loss due to physical condition or financial distress.* A project in poor physical condition may be at risk of condemnation or other governmental action to close the property. A property in financial distress has experienced serious cash flow problems that will likely lead to foreclosure. DHCD will evaluate an application to preserve a project in poor physical condition based on a capital needs assessment included in the One Stop+ submission. The assessment must describe how all the major capital needs of the project will be addressed. Applications to assist projects in financial difficulty must demonstrate that the financing, property management, and asset management plans will be sufficient to ensure the project's ongoing financial stability. In general, projects will not qualify for funding under this set-aside unless the capital needs assessment indicates a minimum rehabilitation expenditure of $30,000 per housing unit.

- *The application represents a time-limited opportunity to purchase existing affordable housing.* In some cases, a preservation sponsor may have the opportunity to purchase a property due to a seller's need or desire to sell at a particular time. A purchase under Chapter 40T would also qualify under this subsection. While they may represent desirable transactions, projects qualifying as preservation projects under this subsection generally will rank lower than projects qualifying pursuant to subsections a and b above, and only rarely will qualify for competitively allocated 9% tax credits.

The Department recognizes that certain preservation transactions are too large to fit within the normal funding limits yet represent projects of scale well worth preserving. **From time to time, if resources are available, DHCD is prepared to accept very large-scale preservation applications on a rolling basis.** Such applications typically must represent projects that will include more than 500 units.

Opportunity: Applications to DHCD for funding awards in 2015 will be required to fit within one or more of the following categories-

4) Family Housing production in neighborhoods and communities that provide access to opportunities, including but not limited to jobs, transportation, education, and public amenities. Access to opportunity locations will be defined by publicly-available data. At least 65 percent of the units in a project must be 2 BR or larger, and at least 10 percent must be 3BR, unless that percentage of 2 BR or 3 BR units is infeasible or

unsupported by public demand. Projects serving families, including families with a member with a disability or special needs, are eligible in this category.

Points Selection Criteria

Location in an Area of Opportunity – 14 points maximum

For purposes of allocating the credit in 2015, DHCD will continue using four priority funding categories, including location of a family project in an "area of opportunity". The Department defines an area of opportunity in part as a neighborhood or community with a relatively low concentration of poverty based on US Department of HUD data. In addition, DHCD identifies an area of opportunity as a neighborhood or community that offers access to opportunities such as jobs, health care, high-performing school systems, higher education, retail and commercial enterprise, and public amenities. To determine whether a location is an area of opportunity, sponsors should use publicly available data such as employment statistics; location near mass transit, green space, and other public amenities; educational testing date; and so on. Sponsors also should confirm with DHCD that their evaluation of an area of opportunity is consistent with the Department's evaluation, since the Department will make the ultimate decision.

To be eligible to receive points within this category, a family housing project typically must be located in a census tract with a poverty rate below 15%. Projects located in municipalities with overall poverty rates below 15% may also qualify for points within this scoring category. On a case by case basis, at its sole discretion, the Department will permit certain projects to receive points in this category if the poverty rate in the census tract and/or municipality is 15% or higher, as long as the project is located in an area with compelling attributes that make the location desirables to renters.

To be eligible to receive points within this category, a family housing project also must include certain design characteristics: the project must be configured to contain at least 65% two-bedroom or larger units and at least 10% three-bedroom units, unless either percentage is demonstrated to be infeasible or unsupported by public demand.

If the thresholds described above have been met, DHCD will award points within this category as follows:

Up to 8 points for **strength of public school system:**

Points will be awarded to family housing projects as follows based on the percentage of 10th grade students that scored in the Advanced or Proficient categories using an average of the 3 MCAS tests as available at http://profiles.doe.mass.edu/state_report/mcas.aspx :

- 90% or above: 8 points
- 85% or above: 6 points
- 80% or above: 4 points
- 75% or above: 2 points

Up to 6 points for **access to employment:**

Points will be awarded based on the proximity to jobs of the municipality in which the family housing project is located as defined by average vehicle miles travelled by commuter as available at http://www.mass.gov/hed/housing/affordable-rent/low-income-housing-tax-credit-lihtc.html :

- 5 miles or less: 6 points
- 7 miles or less: 4 points
- 9 miles or less: 2 points

Up to 2 points for **access to higher education**:
Two points will be awarded within this category to family housing projects located within two miles of community colleges and/or state colleges/universities within the University of Massachusetts system.

Up to 2 points for **access to health care**:
Two points will be awarded within this category to family housing projects located within one mile of a major health care facility, such as a hospital, an urgent care center, or a neighborhood health clinic.

As a threshold requirement, each sponsor must provide a narrative describing how the project location and type, tenant selection plan, and other applicable policies and procedures will further the Department's Fair Housing Principles.

Michigan (2015/2016 QAP)

Preservation: Michigan State Housing Development Authority's 2015-2016 Qualified Allocation Plan (QAP) targets 25% of the state's competitive 9% Low Income Housing Tax Credit allocation to preservation proposals and includes points for preservation properties.

Eligible preservation projects include those with financing from HUD, USDA RD, or MSHDA, have other below-market financing, are Year15 LIHTCs, or involve the rehabilitation of existing public housing. Projects must either be within 5 years of permitted prepayment of equivalent loss of low income use restrictions or preserve occupied and restricted low income units provided the rehabilitation will repair or replace components that are either in immediate need of repair/replacement or are substantially functionally obsolete.

Eligible projects must either:

- be within five years of any permitted prepayment or equivalent loss of low income use restrictions; or
- preserve occupied and restricted low income units provided the rehabilitation will repair or replace components that are either i) in immediate need of repair or replacement or ii) either substantially functionally obsolete or being improved to provide modification or betterments consistent with new building code requirements and MSHDA's Design Requirements.

Properties which have completed a full debt restructuring under the Mark to Market process within the last five years are ineligible to for the preservation category.

One of MSHDA's statutory set-asides is 30% for Eligible Distresses Areas, defined as housing projects in eligible distressed areas, which include proposed or existing housing projects in distressed areas pursuant to MCL 125.1411(u). A list of Eligible Distressed Areas can be found on MSHDA's website by **clicking here**.

One of MSHDA's set-asides is 10% for Strategic Investment. MSHDA notes that there may be extraordinary circumstances where the evaluation of an application by the standards review process outlined in the QAP does not necessarily take into consideration the contribution that a development would make to the state's overall economic and community development strategy. These situations may include, but are not limited to, applications that demonstrate transformative neighborhood revitalization, and/or unique financial funding and leveraging opportunities, and/or the opportunity to promote significant job growth in proximity to such housing. The Strategic Investment category has been created to attempt to address these circumstances. Projects competing in the Strategic Investment category are also eligible for a 30% basis boost.

Preservation Points:

- 5 points for preservation developments that are able to be completed without the use of acquisition credit or without acquisition costs impacting the amount of credit allocated to the project.
- 5 points for projects that involve the replacement or redevelopment of public housing units.
- 5 points for projects that involve the rehabilitation of an existing RHS 515 property.
- 5 points for projects that either 1) obtain a new project-based tenant subsidy contract (other than MSHDA PBV), or 2) preserve existing project-based tenant subsidies for the length of the existing rental subsidy compliance period and commit to renew the contract to the extent available.

Opportunity: Includes a funding priority (10% of the state's total credit ceiling) for project to apply in a Strategic Investment Category. Projects funded under this Strategic Investment Category will not be subject to the standard Scoring Criteria and will be evaluated solely based on the sufficiency of the proposal based on specific requirement listed in the QAP for this category. The Strategic Investment Category considers the contribution that a development would make to the state's overall economic and community development strategy. These situations may include, but are not limited to, applications that demonstrate transformative neighborhood revitalization, and/or unique financial funding and leveraging opportunities, and/or the opportunity to promote significant job growth in proximity to such housing.

As part of its review for projects submitting an application for the Strategic Investment Category, MSHDA will give consideration to the following:

- Level of community impact, including economic and social impact
- Unique financing opportunities
- Job growth
- Coordination with other site amenities to enhance the overall neighborhood
- Coordination with an overall community revitalization effort

Projects qualifying under the Strategic Investment category are also eligible for MSHDA's 30% basis boost.

As a threshold requirement for all applicants, an Affirmative Fair Housing Marketing Plan must be submitted.

Minnesota (2014/2015 QAP)

Preservation: In Round 1 of the application, Minnesota establishes an award ceiling of 2/3 for each regional pool: Metropolitan and Greater Minnesota. The ceiling can be exceeded if too few new construction projects do not rank competitively. Round 2 funding gives priority to projects that have previously received tax credits and have an annual tax credit shortfall of at least 5% but not greater than 33.33%.

Threshold Criteria: Minnesota's 2014/2015 QAP requires applicants to meet at least one of five thresholds requirements including properties which preserve existing subsidized housing, if the use of tax credits is necessary to:

- Prevent conversion to market rate use
- To remedy physical deterioration of the property which would result in loss of existing federal subsidies.

Points Criteria: Minnesota's 2014/2015 QAP awards points for preservation under two categories: federally assisted units and existing tax credit apartments. Up to 10 points for the preservation of existing tax credit apartments and 25-40 points for the preservation of federally assisted units depending on risk of loss:

<u>Preservation of Federally Assisted Units</u> - Projects can receive 25-40 points depending on risk of loss and number of units preserved

Imminent Risk of Loss - 30 points

To obtain these points, the existing federal assistance must be at risk of loss within three years of application date due to prepayment/opt-out/mortgage maturity and conversion to market rate housing.

High Risk of Loss - 25 points

To obtain these points, the existing federal assistance must be at risk of loss due to contract expiration/opt-out/mortgage maturity or prepayment under one of the following two thresholds

- Local need for subsidized units can be demonstrated by data evidencing a rent-burdened population.
- Property is located in either jobs growth area or household growth area.

Additionally, one of the following reasons for high risk of loss must be true:

- Substantial physical needs identified by third party assessment
- A change in ownership is necessary due to deterioration of capacity as evidenced by threats to units remaining decent, safe, and affordable

Points cannot be awarded for both Imminent Risk and High Risk of Loss.

Projects can also be awarded up to 10 additional points are earned depending on the number of units preserved.

- Metro or Greater Minnesota MSA
  - 10 points: 101+ units
  - 7 points: 61-100 units
  - 3 points: 31-60 units
  - 1 point: 12-30 units
- Greater Minnesota/Rural
  - 10 points: 41+ units
  - 5 points: 21-40 units
  - 3 points: 8-20 units

<u>Preservation of Existing Tax Credit Housing Units</u> - A project can receive 7 or 10 points if it is an existing Minnesota Housing tax credit project

To obtain these points, the exiting federal assistance must meet the following thresholds:

- The development received a Minnesota Housing allocation of tax credits and is eligible to exercise their option within the next 12 months.
- Applicant agrees to maintain the Housing Tax Credit units in the development for at least 30 years

- The proposal will not result in the displacement of existing low and moderate income residents
- The development must claim and be eligible for points under Serves Lowest Income Tenants/Rent Reduction

Points are determined based on two categories of risk:

Imminent Risk of Loss - 10 points

High Risk of Loss - 7 points

Minnesota's QAP also awards 5 points for Stabilization. These points are available only to properties with existing federally assisted units or previously funded by tax credits or deferred loans from Minnesota Housing or Interagency Stabilization Group (ISG) partner funders that are not also claiming points for Preservation of Federally Assisted Units or Preservation of Existing Housing Tax Credit units. Applicants must provide narratives to support the approach of a planned, long term and cost effective stablization that meets all of the following criteria.

- Suitability for long term stabilization
    - o 15 or more years have passed since initial loan closing or most recent tax credit place in service date
    - o Operating feasibility shows duration of at least 20 years
    - o ISG votes to confirm collaborative funder commitment and feasibility of the development's stabilization proposed
- Collaborative relationship in place
    - o Property claims and is deemed eligible for the following points
- ▪ Financial Readiness to Proceed - Minimum of 6 points
- ▪ Federal/Local/Philanthropic Contributions - Minimum of 8 points
- Affordability and Cost Effectiveness
    - o Property claims and is deemed eligible for points under preference priority of Serves Lowest Income Tenants/Rent Reduction
    - o Property claims and is deemed eligible for points under preference priority of Cost Containment

Opportunity: 5 Points are awarded for projects located in or near a workforce housing city. In the metropolitan area, project locations must be within 5 miles of a workforce housing city, in Greater Minnesota, project locations must be within 10 miles of a workforce housing city.

To promote economic integration, projects will be awarded 3 or 5 points for being located in higher income communities that are close to jobs. Economic integration is defined by Minnesota Housing in two ties based on median family income and access to jobs. For applicants to receive points, the proposed housing needs to be located in a community (census tract) with the median family income meeting or exceeding the region, the 40 percent of census tracts with the lowest incomes are excluded from receiving points. The census tract must also meet or exceed the region's 20th percentile for low and moderate wage jobs within five miles based on data published by the Local Employment Dynamics program of the US Census for 2010. For each region, the 20 percent of census tracts with the fewest low and moderate wage jobs within five miles also are excludes. To promote economic integration, the criteria identify higher income communities that are close to low and moderate wage job centers.

Mississippi (2015 QAP)

Preservation: The Mississippi Housing Corporation's (MHC) 2015 QAP includes a $1,000,000 set aside for historic or rehabilitation developments.

Up to 30 points may be awarded to developments that apply as Acquisition/Rehabilitation based on the development's type and features (versus the 25 points that may be awarded to developments that apply as New Construction).

- Projects are eligible for up to 15 points for substantial rehabilitation. Substantial rehabilitation points are accrued by hard costs of the rehabilitation. Costs at $15,000 per unit yield 5 points, $25,000 yield 10 points and over $35,000 yield 15 points.
- Five points will be awarded to developments that have previously received an award of housing tax credits provided that the development meets all of the following: (1) the development has been in service for at least 20 years; (2) requires substantial rehabilitation; and (3) the development exited the program in good standing.
- Five points will be awarded to developments that provide project-based rental assistance. The rental assistance must be provided to the development for a minimum of five (5) years starting on the later of the development's place in service date or the date of issuance of the first subsidy payment. Applicants can elect any of the following: Section 8 Project-Based Rental Assistance, Project-Based Vouchers, Rental Assistance Demonstration, Section 515, and Private Owner Assistance.

Acquisition/Rehabilitation Requirements: Acquisition/Rehabilitation developments must meet the Minimum Design Quality Standards to the extent possible. Acquisition/Rehabilitation developments must meet additional requirements as applicable:

- Previously Awarded Credits: A development that has previously received tax credits and has exhausted all of its allowable credits will be eligible for a new tax credit allocation. In order to qualify, developments must have rehabilitation expenditures of a minimum of ten thousand dollars ($10,000) in hard costs per unit.
- Rehabilitation Expenditures: The acquisition of affordable housing or the rehabilitation of existing units must have rehabilitation expenditures of $10,000 per housing unit or 20% of the original basis, whichever is greater. The acquisition of affordable housing from a government entity may have rehabilitation expenditures of six thousand dollars ($6,000) per housing unit if there is a waiver from the Internal Revenue Service from the ten (10) year previous ownership requirement for the acquisition credit on the grounds that the owner otherwise is likely to pay off the existing mortgage and end low income occupancy.
- Evidence of Ownership: Applicants which are requesting acquisition housing tax credits must provide evidence of title ownership over the previous ten (10) years.
- Relocation Plan: All acquisition/rehabilitation developments that involve the displacement of persons must submit a Relocation Plan.
- Physical Needs Assessment: A physical needs assessment for each building and each unit certified by a licensed architect or engineer must accompany the application
- Adaptive Reuse: Any proposed development that requires a conversion from its intended/initial use must meet new construction standards, to the extent possible, for the proposed rehabilitation.
- Acquisition Price: The acquisition price on which tax credits are allocated will be limited to the lesser of the sales price or the appraised "as-is" value of the property.

Opportunity: Five points are awarded to projects that are located in a zip code which have not had any tax credit developments funded or Placed in Service from calendar years 2010-2014. Developments that qualify for this point item will automatically be eligible for the discretionary 130% basis boost.

Developments are also awarded up to five points depending on the county of the proposed site. The points are based on the housing need as determined by the following indicators: (1) HTC units allocated between 2012 and 2014, (2) renter households below 60% of AMI, and (3) Growth Rank.

Rehabilitation developments are exempt from the following restriction: 5 points will be deducted if an applicant proposes a new construction development in a primary market area that has received three (3) or more tax credit awards during the previous two (2) years.

Missouri (2015 QAP)

Preservation: Missouri's 2015 QAP declares preservation of existing affordable housing to be a priority. Applications meeting this priority are eligible for the 30% basis boost.

To be eligible for the preservation priority, a proposal must meet at least one of the following and, if receiving federal historic credits and/or state historic credits, waive the rights to opt out for an additional fifteen years beyond the Compliance Period:

a) Have, and continue to use if possible, project-based rental assistance and/or operating subsidy,
b) Have a loan made prior to 1985 from any of the following loan programs: HUD 202/811, 221(d)3 or (d)4, 236 or USDA RD 515,
c) Participate in HUD's Mark-to-Market restructuring program, or
d) Have a previous allocation of low-income housing tax credits in which the first year of the credit period was 1999 or earlier and be in or have completed the final year of the initial compliance period for all buildings in the development.

If a development does not have a HUD or RD loan or project-based rental assistance and requires a letter from MHDC indicating the need for preservation, a letter will be granted only after an inspection of the property by MHDC. Requests for the letter and inspection must be made to the Director of Asset Management.

Developments not eligible for the Preservation Priority but that do contemplate the acquisition and rehabilitation of existing housing are encouraged and given extra consideration.

For rehabilitation projects seeking 9% credits, the total construction costs must equal or exceed 40% of the total replacement costs.

Opportunity: Family developments located in a county whose median income is below the 2014 statewide median income, as established and published by HUD, and propose to set aside at least 20% of the total units to be occupied by households earning between 60% and 80% of the area median income (workforce units), are eligible for a basis boost of up to 30%.

MHDC considers housing needs when assessing applications for 9% tax credits. As such, developments must address the affordable housing needs of the state, region, and locality where they will be located. Important considerations regarding market need include:

- Number and growth of population and intended tenant population in the market area;
- Presence, condition, occupancy, and comparability of other affordable housing developments in the market area;
- Presence, condition, occupancy, and comparability of market rate housing in the market area;
- Capture rate for the proposed development; and

- Housing needs of the special needs population in the market area.

No application proposing the delivery of new units will be approved if it is deemed by MHDC to adversely impact any existing MHDC development(s), exist in a questionable market, or create excessive concentration of multifamily units.

New Jersey (2013 QAP)

Preservation: New Jersey's 2013 Qualified Allocation Plan includes a set-aside for preservation projects. New Jersey's 2013 QAP has been re-adopted without changes for the 2014 and 2015 allocation years.

New Jersey's 2013 QAP defines a "preservation project" as an existing housing project that is at least 50 percent occupied and is at risk of losing its affordability controls or level of affordability. Projects are considered to be at risk of losing affordability control if it has a deed restriction that expires within five years that is "likely" to convert to market rate as supported by a market analysis. Other at risk projects include those that may be condemned or subject to foreclosure. In order to qualify for the preservation set-aside, the proposal must be for the rehabilitation of at least 75 percent of the affordable units and no construction of units is permitted.

As part of its Family Cycle, NJHMFA sets aside $1,250,000 worth of credits to preservation, not including HOPE VI and Choice Neighborhood Projects. The New Jersey's Family Cycle receives at least 50% of the state's total allocation of tax credits. Of the Family Cycle's total allocation, 40% must be allocated to Targeted Urban Municipalities; areas designated by the state with a poverty rate greater than 8.1%.
In order to demonstrate that a project is eligible for funding from the preservation set-aside, applicants must submit documentation that the property is at risk of losing its affordability controls/level of affordability, an agreement precluding the involuntary displacement of any existing resident, documentation of how rents will remain at or near existing levels, utilization of an applicable fraction based on an analysis of both the income levels of existing residents and the market analysis, and a capital needs assessment certified by the project architect which illustrates that the proposed rehabilitation meets identified critical repair items and 12-month physical needs.

Other eligibility requirements that all must be met include: project-based rental assistance expires earlier than the mortgage is paid off; project-based rental assistance subsidizing at least 50 percent of the total units; and the project achieving a Real Estate Assessment Center score of 60 or higher for the preceding three years.

Opportunity: A Family Cycle project that is fully located within a school district wherein 66 percent or more of the students are either proficient or advanced proficient on the NJ ASK 4 in both math and language arts based on data available from the New Jersey Department of Education as of the application deadline shall receive two points.

A Family Cycle project that is fully located within a municipality with public and private sector jobs that total at least 95% of the housing units shall receive two points. To confirm that a project satisfies this point category, NJHMFA shall use the annual average of total public and private sector jobs from the New Jersey Department of Labor Quarterly Census of Employment and Wages, Municipal Annual Reports, and the number of housing units according to the five-year American Community Survey.

New York (2014 QAP)

Preservation: New York City Department of Housing Preservation and Development's 2013 Qualified Allocation Plan awards points for preservation projects, and projects that extend the affordability period. New York City Department of Housing Preservation and Development's (HPD) 2013 QAP awards up to 22 points for “Project Characteristics”. Preservation projects—projects that preserve existing affordable housing that either: a) have, and continue to use if possible, project-based rental assistance and/or operating subsidy; b) have a loan made prior to 1984 from any of the following loan programs: HUD 202/811, 221(d)3 or (d)4 or 236; c) an HPD LIHTC Preservation Program where HPD has approved a resyndication plan are eligible for points. In addition, existing housing—rehabilitation projects are eligible for points in the “Project Characteristics” category.

New York City HPD's 2013 QAP designated all five boroughs in New York City as Difficult to Develop Areas (DDAs), so all 9 percent projects in New York City will be eligible for the basis boost. 4 percent projects are only eligible for the basis boost if they are located in a HUD-defined QCT or DDA.

Opportunity: Housing Opportunity projects (up to 3 points). Scored to the extent the project is in close proximity to public transportation and is located in a community with a low incidence of crime and is served by high performing schools.

North Carolina (2015 QAP):

Preservation: North Carolina’s 2015 QAP includes a 10% rehabilitation set-aside
The criteria for consideration as a rehabilitation project includes:

- have either (i) received a tax credit allocation and be in the extended use period or (ii) federal project-based rental assistance for at least thirty percent (30%) of the total units,
- not be feasible using tax-exempt bonds (as determined by the Agency),
- have total replacement

Projects satisfying the following will not be considered rehabilitation:

- adaptive reuse projects,
- entirely vacant residential buildings,
- proposals to increase and/or substantially re-configure residential units.

Basis Boost
The Agency will boost the eligible basis of rehabilitation projects by up to fifteen percent (15%)

Opportunity: As a threshold requirement, project cannot be in areas of minority and low-income concentration (measured by comparing the percentage of minority and low-income households in the site’s census tract with the community overall). The Agency may make an exception for projects in economically distressed areas which have community revitalization plans with public funds committed to support the effort.

Ohio (2015 QAP):

Preservation: **Set-Asides:** Ohio Housing Finance Agency’s 2015 Qualified Allocation Plan includes 4 allocation pools ($9.5 million for New Rental Units Pool, $8 million for Existing Rental Units Pool, $4 million for Permanent Supportive Housing, and proposals that do not receive an award of credits in the other pools will be considered in the Strategic Initiatives Pool). Each of the first three pools includes a geographic distribution within each pool.

The Existing Rental Units Pool (approximately $8 million) is intended for the preservation of existing affordable housing. This does not include developments that create new units while preserving existing subsidies (such as HOPE VI, Choice Neighborhoods, or the use of Section 8 portability), which will compete in the New Rental Units Pool. The geographic distribution for this pool is approximately $3.5 million for urban areas, $2 million for suburban areas, $2.5 million for rural areas.

Points: Applicants that successfully meet threshold and underwriting requirements will be considered in the competitive selection process, which will consist of five areas:

- A. Local Collaboration
- B. Development Characteristics
- C. Economic Characteristics
- D. Market Characteristics
- E. Areas of Distinction
- F. Preservation Characteristics

The point values for each area of the competitive selection process are different for each of the allocation pools to account for policy considerations for different types of developments. See the competitive scoring chart or scoring workbook for point values by allocation pool.

Preservation Characteristic Priorities:
OHFA will award points to proposed developments that meet one of the following development characteristics. Applicants may choose only one preservation characteristic. If a development's chosen preservation characteristic priorities have been selected in applications awarded before it, that development will be skipped for the next development with an underfunded development characteristic priority. This process will continue until all credits have been allocated. Ten points will be awarded for developments meeting one of the following criteria:

- a. Family developments located in a non-QCT.
- b. Developments that account for at least 30% of the total available affordable housing units in the PMA.
- c. Developments in which a troubled asset will be acquired by an applicant who will serve as the owner/manager for the entire period of compliance.
- d. Developments that have been maintained through good management but contain major components that are past their effective useful life. The proposed development cannot have undergone substantial rehabilitation in the last 20 years.
- e. Developments that will utilize HUD's Rental Assistance Demonstration program.
- f. Developments which involve the conversion or modernization of HUD Section 202 units.
- g. Developments which have a significant risk for market conversion.
- h. Developments that contain a significant and urgent need for rehabilitation that constitutes a life safety issue(s).
- i. Developments, owned, sponsored, or developed by a non-profit organization that will certify as a CHDO by the State of Ohio.
- j. Developments that receive a priority designation from USDA.
- k. Developments located in an underserved rural county.

OHFA will award points to Existing Rental Unit proposal applications that preserve existing rental subsidies or prior Housing Tax Credit deals. Developments with development based and USDA rental subsidy will receive points in this category.

- 10 points to developments with Project Based Section 8 for at least 100% of the units or USDA rental subsidy for at least 60% of the units.
- 10 points to portfolio deals that include at least three previous housing tax credit developments that have passed their initial 15-year period. These developments may not request acquisition credits or HDAP. The requested credit allocation may not be more than $400,000.
- 9 points to developments that preserve a portfolio of existing housing financed though the Ohio Department of Mental Health and Addiction Services (OMHAS).
- 9 points to developments with Project Based Section 8 for at least 60% of the units or USDA rental subsidy for at least 40% of the units.
- 8 points to developments with Project Based Section 8 for at least 30% of the units or USDA rental subsidy for at least 20% of the units.

In the event of a tie score between two or more applications in an allocation pool, a number of methods will be used to determine the highest-ranking applications, including awarding credits to those developments on the Existing Unit pool that receives 10 points under Other Preservation Priorities for having 100% Section 8 or 60% RD rental subsidy. Click here to view Ohio's 2014 LIHTC Qualified Allocation Plan and application information.

Opportunity: OHFA will award points to proposed developments that meet one of the following location-based characteristics. THESE APPLY TO NEW RENTAL UNITS ONLY.

2a. Developments located within a high income census tract. The median household income for each census tract will be divided by the median household income for the county in which it is located, resulting in an income ratio for the census tract. A list of qualifying high income census tracts will be posted to OHFA's website. High income census tracts are defined by reference to low- and moderate-income summary data published by HUD.

2b. Family developments located in a non-QCT.

2c. Developments located in a municipality where no development has taken place using OHFA housing tax credits in the last 15 years prior to the housing tax credit application deadline for the population to be served.

2d. Developments located in one of the 32 Appalachian counties as designated in the Appalachian Regional Development Act of 1965. The development must also be in a rural area as defined in the allocation pools.

2e. Developments located in areas that are also part of a revitalization plan. The municipal planning department must submit a letter that details the specific development, how it will further revitalization, and other current and future investments in the area.

2f. Developments that will be a subsequent phase of a successful housing tax credit development. The existing phase(s) of the development must be adjacent to the new phase and have maintained at least an average 96% occupancy over the last two years.

2g. Developments located within a one-half mile radius of significant economic investment of at least $10,000,000 that will be completed between 2013 and2017. Investments may include retail, new infrastructure, or other real estate development. Normal maintenance costs, such as resurfacing roads, will not qualify under this criterion. OHFA may give consideration to developments that are within 500 feet of the required distance.

2h: Developments located in the following counties impacted by the Shale drilling activity: Belmont, Carroll, Columbiana, Guernsey, Harrison, Jefferson, Monroe, and Noble.

Points:
Five points will be awarded to proposed developments that meet one of the criteria.

Pennsylvania (2015 QAP)

Preservation: a Pennsylvania's 2015 Qualified Allocation Plan (QAP) reserves tax credits for projects that extend the long-term affordability and habitability of the development.

Pennsylvania's 2015 QAP reserves tax credits to a minimum of three preservation properties in both funding Cycles 1 and 2. Projects must demonstrate that tax credits are necessary to extend the long term affordability and habitability of the development, or that there is a likelihood of conversion to market rate housing (which must be supported by a market study).

Opportunity: Pennsylvania's 2015 QAP reserves tax credits to a minimum of three developments in Cycle 2 which expand housing opportunities and design choices in areas suitable for long-term economic growth and have existing or planned infrastructure to support future growth in the area, in order to promote mixed-use and/or mixed-income development within a community setting. These developments will be located in areas of strong schools and employment opportunities and in communities which may have not received representative resources in the past.

In addition, projects that have excess development expenses and costs related to their location in "areas of opportunity", as defined by the Agency , or are sited in order to affirmatively further fair housing are eligible for a 30% increase in eligible basis.

Pennsylvania also awards up to 20 points for projects located in Areas of Opportunity, including areas with low poverty rates, limited affordable housing options (subsidized and non-subsidized), limited affordable housing production in the past 20 years, close proximity to employment, strong housing markets, or high owner-occupied markets.

Texas (2015 QAP)

Preservation: Texas' 2015 QAP sets aside at least 15 percent of the state housing credit for At-Risk Developments. Up to five percent of this set-aside may be given priority to rehabilitation developments funded by USDA.

Developments that are considered to be nearing expiration if the contract granting the subsidy or federally insured mortgage will terminate within two calendar years of July 31 of the year the Application is submitted. At Risk projects also include developments eligible to request a Qualified Contract. Any application that includes the demolition of existing units will not qualify as an at risk project unless the redevelopment includes at least a portion of the same size.

In the development characteristics section of the QAP, Texas awards rehab projects a base of three points, with the potential to earn more based on amenities.

Opportunity: Opportunity Index. The Department may refer to locations qualifying for points under this scoring item as high opportunity areas in some materials.

(A) For Developments located in an Urban Area, if the proposed Development Site is located within a census tract that has a poverty rate below 15 percent for Individuals (or 35 percent for Developments in Regions 11 and 13), an Application may qualify to receive up to seven (7) points upon meeting the additional requirements in clauses (i) -(iv) of this subparagraph. The Department will base poverty rate on data from the five (5) year American Community Survey.

I. the Development targets the general population or Supportive Housing, the Development Site is located in a census tract with income in the top quartile of median household income for the county or MSA as applicable, and the Development Site is in the attendance zone of an elementary school that has a Met Standard rating and has achieved a 77 or greater on index 1 of the performance index, related to student achievement (5 points);

II. the Development targets the general population or Supportive Housing, the Development Site is located in a census tract with income in the second quartile of median household income for the county or MSA as applicable, and the Development Site is in the attendance zone of an elementary school that has a Met Standard rating and has achieved a 77 or greater on index 1 of the performance index, related to student achievement (5 points);

III. any Development, regardless of population served, if the Development Site is located in a census tract with income in the top two quartiles of median household income for the county or MSA as applicable (1 point); or

IV. any Development, regardless of population served, if the Development Site is located in a census tract with income in the top two quartiles of median household income for the county or MSA as applicable (1 point).

(B) For Developments located in a Rural Area, an Application may qualify to receive up to seven (7)cumulative points based on median income of the area and/or proximity to the essential community assets as reflected in clauses (i) -(v) of this subparagraph if the Development Site is located within a census tract that has a poverty rate below 15 percent for Individuals (35 percent for regions 11 and13) or within a census tract with income in the top or second quartile of median household income for the county or MSA as applicable or within the attendance zone of an elementary school that has a Met Standard rating and has achieved a 77 or greater on index 1 of the performance index, related to student achievement.

I. The Development Site is located within the attendance zone and within 1.5 linear miles of an elementary, middle, or high school with a Met Standard rating (For purposes of this clause only, any school, regardless of the number of grades served, can count towards points. However, schools without ratings, unless paired with another appropriately rated school, or schools with a Met Alternative Standard rating, will not be considered.) (3 points);

II. The Development Site is within 1.5 linear miles of a center that is licensed by the Department of Family and Protective Services specifically to provide a school-age program (2 points);

III. The Development Site is located within 1.5 linear miles of a full service grocery store (2points);

IV. The Development Site is located within one linear mile of a center that is licensed by the Department of Family and Protective Services to provide a child care program for infants, toddlers, and/or pre-kindergarten, at a minimum (2 points);

V. The Development is a Qualified Elderly Development and the Development Site is located within 1.5 linear miles of a senior center (2 points); and/or

VI. The Development Site is located within 1.5 linear miles of a health related facility (1 point).

(C) An elementary school attendance zone for the Development Site does not include schools with district-wide possibility of enrollment or no defined attendance zones, sometimes known as magnet schools. However, in districts with district-wide enrollment an Applicant may use the lowest rating of all elementary schools that may possibly be attended by the tenants. In districts with "choice" programs, where students can select one or more schools in the district that they wish to attend, an Applicant may use the District rating. The applicable school rating will be the 2014 accountability rating assigned by the Texas Education Agency. School ratings will be determined by the school number, so that in the case where a new school is formed or named or consolidated with another school but is considered to have the same number that rating will be used. A school that has never been rated by the Texas Education Agency will use the district rating. If a school is configured to serve grades that do not align with the Texas Education Agency's conventions for defining elementary schools (typically grades K-5 or K-6), the school will be considered to have the lower of the ratings of the schools that would be combined to meet those conventions.

Educational Excellence. An Application may qualify to receive up to three (3) points for a Development Site located within the attendance zones of public schools that have achieved a 77 or greater on index 1 of the performance index, related to student achievement, by the Texas Education Agency, provided that the schools also have a Met Standard rating. Points will be awarded as described in subparagraphs (A) and (B) of this paragraph. An attendance zone does not include schools with district-wide possibility of enrollment or no defined attendance zones, sometimes known as magnet schools. However, in districts with district-wide enrollment an Applicant may use the lowest rating of all elementary, middle, or high schools, respectively, which may possibly be attended by the tenants. The applicable school rating will be the 2014 accountability rating assigned by the Texas Education Agency. School ratings will be determined by the school number, so that in the case where a new school is formed or named or consolidated with another school but is considered to have the same number that rating will be used. A school that has never been rated by the Texas Education Agency will use the district rating. If a school is configured to serve grades that do not align with the Texas Education Agency's conventions for defining elementary schools (typically grades K-5 or K-6), middle schools (typically grades 6-8 or 7-8)and high schools (typically grades 9-12), the school will be considered to have the lower of the ratings of the schools that would be combined to meet those conventions. In determining the ratings for all three levels of schools, ratings for all grades K-12 must be included, meaning that two or more schools' ratings may be combined. For example, in the case of an elementary school which serves grades K-4 and an intermediate school that serves grades 5-6, the elementary school rating will be the lower of those two schools' ratings. Also, in the case of a 9th grade center and a high school that serves grades 10-12, the high school rating will be considered the lower of those two schools' ratings. Sixth grade centers will be considered as part of the middle school rating.

- The Development Site is within the attendance zone of an elementary school, a middle school and a high school with the appropriate rating. For developments in Region 11, the middle school and high school must achieve an index 1 scale of at least 70 to be eligible for these points. (3 points); or

- The Development Site is within the attendance zone of an elementary school and either a middle school or high school with the appropriate rating. For Region 11, developments in Region 11, the middle school or high school must achieve an Index 1 score of at least 70 to be eligible for these points (1 point).

- The Development Site is within the attendance zone of a middle school and high school with the appropriate rating. For developments in Region 11, the middle school and high school must achieve an Index 1 score of at least 70 to be eligible for these points (1 point).

Virginia (2015 QAP)

Preservation: Virginia's 2015 QAP awards 20 points to developments currently subject to HUD's Section 8 or Section 236 programs or Rural Development's Section 515 program. In addition, 10 points are awarded to developments receiving new project-based subsidy from HUD or Rural Development for the greater of 5 apartments or 10% of the apartments of the proposed development. All applications seeking credits for rehabilitation of existing apartments must provide for contractor construction costs of at least $10,000 per unit for developments financed with tax-exempt bonds and $15,000 per unit for all other developments.

Opportunity: Any proposed elderly development located in a census tract that has less than a 10% poverty rate (based upon Census Bureau Data) with no other elderly tax credit units in such census tract (25 points).

Any proposed family development located in a census tract that has less than a 10% poverty rate (based upon Census Bureau Data) with no other family tax credit units in such census tract (25 points).

Washington (2015 QAP)

Preservation: Washington's 2015 QAP prioritizes projects that preserve federally assisted projects as low-income housing units.

Set-Aside: Washington's 2015 QAP set-asides credits in 3 geographic pools –

- King County – 35% of tax credits
- Metro (5 counties) – 37% of tax credits
- Non-Metro – 28% of tax credits

Up to 25% of WSHFC's Metro pool and 25% of the Non-Metro pool will be set-aside to fund preservation and recapitalization projects. In King County only, preservation and recapitalization projects will compete with new construction projects. All projects will be ranked together based on the number of Allocation Criteria Points they have received.

At-Risk Properties: Properties that are at imminent risk of loss from the State's affordable housing portfolio due to potential conversion to market rate can receive points. Projects must have an expiring use restriction and the units must be at risk of loss under one of two scenarios:

- Scenario 1: The current ownership is selling the property and the units will no longer be use restricted and will convert to market.

- Scenario 2: The project has significant and immediate capital needs and the Project Sponsor is face with letting the use restriction lapse as a way to increase cash flow to fund capital expenditures.

Eligible Projects will be awarded points based on the number of units at risk of market conversion: 79 units or less- 4 points; 80 units or more- 6 points.

Federal Assistance: Points will be awarded to projects that include Project-Based Rental Assistance, according to the number of units with PBRA contracts. The rental assistance may be an existing or new contract, and may be administered by HUD, USDA Rural Development, or by the local Public Housing Authority.

Points will be awarded as follows:

- 30-49 units per building – 2 points
- 50-79 units per building – 3 points
- 80 or more units per building – 4 points

Opportunity: One point will be awarded to Projects located in or near the top 25 cities and Census Designated Places (CDP) within each of the Metro and Non-Metro Credit Pools that have experienced the highest absolute job growth over the five year period from 2005 to 2010.

Projects must be located within a 5 mile radius of the top growth places in the Metro Credit Pool and within a 10 mile radius of the places in the Non-Metro Credit Pool. The list of Top Job Growth Cities and Places will remain constant for a five year period. Updates will occur one year prior to implementation of the updated list to take development pipeline into account. For example, the proposed list will remain in place for the allocation years of 2013 to 2017. The list will be updated and published in 2016, but will not take effect until 2018.

Washington's 2015 QAP awards 1 point (in King County only) to projects located in a census tract that is rated High of Very High on the Comprehensive Opportunity Index as defined by the Puget Sound Regional Council. More information on opportunity mapping is available on PSRC's website: http://www.psrc.org/growth/growing-transit-communities/oppmap.

West Virginia (2015-2016 QAP)

Preservation: West Virginia's 2015-2016 Qualified Allocation Plan sets aside 25% of its Low-Income Housing Tax Credits for preservation or new construction. Preservation projects qualify under this set-aside is they are existing HUD low-income residential units financed, guaranteed, or subsidized (property-based) through any HUD finance, guarantee, or subsidy (property-based) program. In order to qualify for this set-aside solely for HUD financing, such financing must equal or exceed 25% of the property's total permanent financing.

A maximum of 150 points are awarded to properties that are committed to serving qualified low-income tenants, using the elected minimum set-aside requirement for the percentage (50% or 60%) of the area median gross income, and the applicable IRS rent restrictions for a number of years beyond the initial 15-year compliance period. 10 points are awarded for each year beyond the initial compliance period.

The QAP also awards points for preservation under the set-aside. Rehabilitation projects can receive 30 points if they have 50 or less units, and 20 points if they have more than 50 units. New construction projects receive more points under the set-aside than preservation projects, up to 50 points. However, for substantial rehabilitation properties or acquisition and substantial rehabilitation properties, an additional 10 points will be awarded if the property includes the use of existing housing that is a clearly and specifically stated part of a community revitalization plan.

Opportunity: West Virginia's 2015-2016 Qualified Allocation Plan awards separate points for Property Location and Housing Needs Characteristics in order to balance located LIHTC properties in "high opportunity" communities and locating them in communities with the highest housing need.

West Virginia's 2015-2016 Qualified Allocation Plan includes eight criteria which indicate locations of "high opportunity". West Virginia awards up to 90 points:

- Up to 10 points are available based on the percentage of owner-occupied housing units
- Up to 10 points are available based on the percentage of vacant units
- Up to 10 points are available based on the percentage of households whose occupants per room are 1.01 or more
- Up to 10 points are available based on the percentage of the population that falls below the poverty level
- Up to 10 points are available based on the percentage of households receiving food stamps
- Up to 10 points are available based on the census tract's unemployment rate
- Up to 10 points are available based on the census tract's population 25 years or older with an educational attainment of a bachelor's degree or better
- Up to 20 points are available based on the ESEA Performance Rating of the elementary, middle and high school in a development's public school district.

Wisconsin (2015-2016 QAP)

Preservation: Wisconsin's 2014 QAP includes a 20% set-aside for preservation of qualifying federally assisted housing units. To qualify, developers must propose a minimum of 20% of eligible basis or $15,000 in hard cost rehabilitation, whichever is greater. Federally assisted housing preservation programs include:

- Section 236
- Section 221(d)(3) Below Market Rate (BMIR)
- Section 221(d)(3) Market Rate with Section 8 rental assistance
- Section 8 Project-Based new construction
- Section 202
- Section 811
- Section 221(d)(4)
- Public housing
- Section 515 Rural Rental Housing Program

Projects can also receive points for receiving federal rental subsidies such as Section 8 HAP or RAP or other rental subsidy and USDA RD Section 515. Up to 25 points will be awarded to projects dependent on the percentage of units covered by the rental or operating subsidy.

Opportunity: Wisconsin's 2015-2016 QAP sets aside 7% of its tax credits for High Impact Projects. A High Impact Project must meet at least three of the criteria of the criteria described below:

- Has a clear, proximate link to either area job growth, employers, or a major employment center including financial or other support

- Is a key component of a larger redevelopment plan and is identified as such in a letter from the local municipality
- Is located in an area with few affordable housing options, or will otherwise have an immediate high impact for potential residents
- Will exceed the minimum required participation for the Emerging Business and Workforce Development Program for the property's location. Applicants should identify the targeted Emerging Business and Workforce Development Program plan in their HIPR summary

Wisconsin's 2015-2016 QAP also awards up to 20 points to projects located near employment centers or high need areas.

Developments are eligible for 10 points under the Employment Centers category if they meeting one of the following criteria:

- Located within one mile of a major employer or employment center (500+ total employees)
- Located in or within ½ mile of an identified Employment Center census tract, as determined by US Census data.

Developments can also receive 10 points for location within a WHEDA-determined area of high need, where data suggests a severe housing need or imbalance between housing and employment opportunities. To be awarded points under this category, the following conditions must exist:

- The market study must conclude that all proposed low-income unit rents are 10% or more below local comparable market rents.
- The development is located in or with ½ mile of an identified High Need Census Tract, generally determined by U.S. Census Data.