
Threshold Items changed

1. Maximum Credit Awards per Development

WHEDA currently allows applicants in the General, Preservation, Innovation, and Supportive, Set-Asides to be awarded a maximum of \$1.2 million and applicants in Nonprofit and Rural to be awarded a maximum of \$800,000.

Proposed Change:

- The maximum credit that will be awarded to any one development will be increased to \$1.4 million.
 - This limit will be applied to projects applying in General, Nonprofit, Rural and Supportive Housing Set-Asides.
- The maximum Credit that will be awarded to any one development in the Preservation Set-Aside will be \$1,000,000.

2. Changes to Set-Asides in the 9% Program

Supportive Housing Set-Aside Set Aside

- Allocation of credits will be increased from 10% to 12.5% of the State housing per-capita Credit.
- Availability of National Housing Trust Funds will be increased from \$500,000 to \$1 million per project.

Preservation Set-Aside

- Allocation of credits will be reduced from 12.5% to 10% of the State housing per-capita Credit.
- HTC properties that have completed the 15-year compliance period will be eligible to apply. Properties with qualifying federally assisted housing units will continue to be eligible to apply.

Innovative Housing Set-Aside

- The credits in this set-aside will be allocated concurrently with the established competitive application cycle timeline rather than in a separate competition as defined in the 2021-2022 QAP.
- WHEDA will allocate these credits to any projects submitted in the general cycle that meet a policy priority of the Authority and satisfy all threshold requirements but would not otherwise receive an award due to insufficient score.
- Applicants cannot apply for an award under this Set-Aside.

3. Maximum Credit Amount per Developer

WHEDA currently allows no more than three total awards to be allocated to a single developer with no more than two awards of either credit type.

Proposed change:

- No more than two awards will be allocated to a single developer acting in any combination as lead or co-developer.
- Awards may be in any combination of 9% or State awards.
- No more than one award may be made to a single developer within each Set-Aside.

4. New Threshold Requirements

- The following documents will be collected with the initial application:
 - Schedule of Values form will be added to MFA Workbook.
 - Preliminary site plan with units and amenities identified.

5. State Tax Credit Program

- Additional credits will be available on a competitive basis following the same process as with the Additional Credits in the 9% Program.
- Multiplier in the Rural Set-Aside will be adjusted downward incrementally.

Scoring Items changed in 2023-2024

Scoring Categories	Points Available (2021-2022 QAP)	Points Available (2023-2024 QAP)
1. Lower Income Areas	5	5
2. Energy Efficiency & Sustainability	20	25
3. Mixed-Income Incentive	12	12
4. Serves Large Families	5	5
5. Serves Lowest-Income Residents	60	63
6. Supportive Housing	15	15
7. Veterans Housing	5	5
8. Rehab/Neighborhood Stabilization	25	25
9. Universal Design	18	18
10. Financial Leverage	36	36
11. Eventual Tenant Ownership	3	3
12. Development Team	12	9
13. Areas of Economic Opportunity	28	28
14. Rural Areas without Recent Tax Credit Awards	8	8
15. Workforce Housing Communities	12	12
16. Community Service Facilities	5	5
SCORING TOTAL	269	273

Scoring Category 2: Energy Efficiency & Sustainability

- WHEDA currently offers 15 points for properties built to the Wisconsin Green Built Homes Standard score of 200 or more or those meeting the Enterprise Green Communities Criteria.

- 5 additional points will be made available for projects that commit to meeting one of the following certifications: Enterprise 2020 Green Communities Criteria or LEED Silver Certification. Alternative certifications may be allowed with preapproval by WHEDA.
 - Projects that elect this certification will be entitled to an increase of 1% of credits that will not be accounted for in the leverage score.

Scoring Category 5: Serves Lowest Income

- Scoring matrix will be adjusted to create stronger incentive for lowest income units and to account for bedroom sizes.
 - Majority elderly projects will incentivize lowest income units but not larger units

Scoring Category 8: Neighborhood stabilization scoring category

- Projects located on tribal land will be exempt from the 50% limit of new construction units.

Scoring Category 10: Leverage score

- Strengthen correlation of credit sizing with number of lowest income units created.
- Remove 4-point deduction for projects using historic tax credit.

Scoring Category 12: Developer team

Developer Team Score will be comprised of the following elements:

Development Team Element	Available Points
Nonprofit participation in ownership	2
Emerging Developer participation in ownership	3
<ul style="list-style-type: none"> • At least 24% ownership – 2 points • At least 49% ownership – 3 points 	
WHEDA evaluation of capacity	3
TOTAL	8

- **Changes from 2021-2022 QAP:**
 - Removed points for previous experience with HTC and multifamily development
 - Removed points for projects including a lead developer or owner that has participated in fewer than 4 HTC properties
 - Broadened definition of “emerging developer”
- **Eligibility Criteria for Emerging Developers:**
 - Controlling member of entity must have acceptable previous experience in development and/or operation of housing similar to that proposed in application or is a graduate of a Real Estate educational program.

- Controlling member of entity may not have substantial participation in more than 6 multifamily real estate development projects (commercial residential real estate projects)
- Entity must be at least 1 year under current ownership
- Entity must serve a “useful business function” and have customers other than State of Wisconsin

Scoring Category 13: Areas of Economic Opportunity

- School district points will be correlated with WDPI ranking instead of percentile
- Rent burden points will be determined based on Census Tract instead of County

Scoring Category 15: Workforce Housing Communities

- Benchmarks for Top Job Centers and Net Job Growth will be calculated over the change from 2020-2021 rather than the past 5 years as is this category currently defined. This change is to mitigate the statewide decrease in jobs that occurred in 2020 due to the COVID-19 pandemic.

Other Changes:

Application Deadlines:

- Due Date: January 27, 2023
- Publication of Awards: May 2023

Underwriting Criteria for 9% and State 4% tax credits:

- Unit mix must have equal distribution of income targeting among unit sizes (number of bedrooms)

Modifications to Compliance Monitoring Procedures:

- Rent charged to existing tenants (excluding households receiving rental assistance) has not increased by more than 5% annually, including due to changes in utility allowance calculations.
- Rental increases have not occurred mid-lease
- Compliance fees will be adjusted to a uniform value across Initial Compliance Period and Extended Use Period

Noncompliance & Previous Performance:

- Current language includes in the definition on Noncompliance: “returned Credit for two or more allocations in the previous five calendar year period(s);” which may result in any member of the development team to be denied participation in the Credit Program.

Proposed change:

Any event of returned Credit may be subject to assessment of negative developer score for future applications to the HTC program at WHEDA’s discretion.