



POLK COUNTY
**HOUSING
TRUST FUND**

Basic Needs | Powerful Solutions

**POLK COUNTY HOUSING TRUST FUND (PCHTF)
FY2020 APPLICATION**

RENTAL DEVELOPMENT

**Application Deadline: January 8, 2020 3:00 p.m.
Electronic Applications Please**

1. APPLICANT INFORMATION

PROJECT NAME: The Flats on Sixth

PROJECT ADDRESS: 1230 6th Avenue, Des Moines, Iowa 50314

NAME OF DEVELOPER: Hatch Development Group & Kiernan Development &

ADDRESS: Construction 696 18th Street, Des Moines, Iowa 50314

CONTACT PERSON: Michael Kiernan TITLE: Owner

TELEPHONE: 515-313-1111 FAX: _____

E-MAIL ADDRESS: Kiernan360@gmail.com

PROJECT OWNER NAME: The Flats on Sixth LLC

FEDERAL TAX ID # FOR PROJECT OWNER: _____ DATE: _____

Hatch Development : 82-1726418 Kiernan Development: 830978279

NOTE: The project must have site control in order to submit an application. Refer to current Housing Allocation Plan for maximum allocation levels and other restrictions.

Site Control: Yes No Explain: Anawim has agreed to the option to sell. Final document to be delivered by PCHTF development committee meeting.

2. AMOUNT & TYPE OF SUBSIDY REQUESTED FROM PCHTF:

Amount of PCHTF Subsidy Requested: \$ 250,000.00

Grant (Forgivable Loan) Forgivability Term _____

Amortizing Loan Interest Rate _____ Term (Payments begin Year?) _____

Deferred Loan Interest Rate _____ Term _____ Initial Repayment Date: _____

NOTE: The maximum repayment term of a loan from the PCHTF shall not exceed the affordability term of the project and in no event may exceed 30 years.

Please indicate here if there are any special financing circumstances relating to your project: _____

3. AFFORDABILITY

3a. Income Target

Please indicate the allocation of units in the project across the AMI ranges

	# of Units	% of Units
30% AMI or below units	7	17%
31 - 50% AMI units	13	31%
51 - 60% AMI units	18	43%
61 - 80% AMI Units	0	
Total Affordable Units	38	91%
Above 80% AMI Units	4	9%
Total Units in Project	42	100%
Note: Units at or below 30% AMI with additional subsidies	7	17%

4. PROJECT FUNDING

4a. PROJECT SOURCES AND USES OF FUNDS: (Please note in columns which funds will be used to pay for each item. If additional space is required for notes or cost categories, attach a separate sheet as Exhibit 8.

COMPONENT	TOTAL USES/COST	PCHTF	OTHER FINANCING	GRANTS or EQUITY	TOTAL SOURCES
Land acquisition	\$100,000.00			\$100,000.	\$100,000.
Site preparation	\$654,680.00			\$654,680.	\$654,680.
Building acquisition	\$0.00				\$0.00
Building construction	\$5,348,920.00	\$250,000.		\$5,098,920	\$5,348,920.
Building remodeling	\$0.00				\$0.00
Architecture and engineering fees	\$359,276.00			\$359,276.	\$359,276.
Other fees	\$13,184.00			\$13,184.	\$13,184.
Construction inspectors/mgmt	\$0.00				\$0.00
Construction loan fees and interest	\$350,474.00			\$350,474.00	\$350,474.
Permanent loan fees	\$24,500.00			\$24,500.	\$24,500.
Other lender fees	\$0.00				
Legal and accounting	\$15,000.00			\$15,000.	\$15,000.
Title, recording, abstract	\$9,000.00			\$9,000.	\$9,000.
Appraisals	\$5,000.00			\$5,000.	\$5,000.
LIHTC fees	\$100,356.00				\$100,356.

Real estate taxes	\$5,400.00			\$5,400.	\$5,400.
Insurance	\$7,500.00			\$7,500.	\$7,500.
Consulting fees	\$0.00				\$0.00
Marketing costs	\$6,500.00			\$6,500.	\$6,500
Operating reserve	\$200,000.00			\$200,000.	\$200,000.
Other: (list)	\$0.00				\$0.00
Lease Up Reserves	\$32,458.00			\$32,458.	\$32,458.
SUBTOTAL	\$7,232,248.00	\$250,000.		\$6,982,248.	\$7,232,248.
Contingency	\$337,680.00			\$337,680.	\$337,680.
Overhead	\$594,092.00			\$594,092.	\$594,092.
Profit	\$250,144.00			\$250,144.	\$250,144.
Developer's Fee	\$1,000,000.00			\$1,000,000.	\$1,000,000.
Other: (list)					
TOTAL	\$9,414,164.00	\$250,000.		\$9,164,164.	\$9,414,164.

Use an asterisk * to highlight any profit included in any line item other than Developer's fee.

TOTAL USES must equal TOTAL SOURCES. If the totals do not match, the application may be rejected.

COST PER UNIT OF AFFORDABLE UNITS: \$ 224,146.72

TOTAL COST OF ALL AFFORDABLE UNITS: \$ 8,517,576.95

TOTAL PROJECT COST: \$ \$9,414,164.00

AFFORDABLE UNITS AS A % OF TOTAL COSTS: 90%

4b. Funding Sources

Please summarize all funding sources in the following table and indicate their commitment status.

TOTAL SOURCES in Table 8b must equal TOTAL SOURCES in Table 8a. If the totals do not match, the application may be rejected.

FUNDING SOURCE	AMOUNT	COMMITTED Y/N	DATE OF COMMITMENT	% OF TOTAL SOURCES	NOTES
PCHTF	\$250,000.00	N		3%	Applied 1/8/2020
LIHTC (IFA)	\$7,560,000.00	N	August 2020	80%	Applied March 2020
Mortgage	\$945,046.00	N		10%	Upon Closing
Tax Abatement Loan	\$215,001.00	N		2%	Upon Closing
Deferred Developer	\$438,716.00	N		5%	Upon Closing
TOTAL:	\$9,414,164.00			100%	

5. 1:4 Leverage Match is required. In other words, PCHTF will not provide more than 20% of the total development funding for the project. For every \$1 requested from the PCHTF, an additional \$4 must be committed by other sources in the form of cash or other funding resources. The leverage calculation does not include funds to support ongoing operations of the completed project.

6. Rental Structure

The Applicant must indicate the rent structure as it relates to the market group(s) identified in the application. The application must include information on the Applicant's procedures for determining the following:

- Appropriate housing costs
- Occupancy standards
- Rent Structure Affordable to Households
- Deed restrictions or other means to keep the housing unit affordable for the specified term

Bedroom size	30% or below AMI		31-40% AMI		41 - 50% AMI		51 - 60% AMI		Market units		Total units & Rents	
	#	\$Rent	#	\$Rent	#	\$Rent	#	\$Rent	#	Rent	#	\$Rent
1 BR	7	492	11	540	0	0	0	0	0	0	18	9,384
2 BR	0	0	2	635	0	0	9	800	2	900	13	10,270
3+ BR	0	0	0	0	0	0	9	900	2	1215	11	10,530
Total Units/Rent*	7	3,444	13	7210	0	0	18	15,300	4	4,230	42	30,184
% of Total Project **	17%	11%	31%	24%	0	0	43%	51%	9%	14%	100%	100%

* Total Rent should equal the sum of the rents for each bedroom size unit (e.g. the number of 1 BR units times the monthly rent plus the number of 3 BR units times the monthly rent, etc.)

** % of Total Project should be the number of units in each income category as a percentage of the total units. For rents, it should be the total rent in each income category as a percentage of the total rent.

APPLICANT CERTIFICATION

Applicant hereby certifies with respect to this application and the project for which the PCHTF assistance is requested as follows:

- All information and representations contained in this application and the attachments hereto are true and accurate.
- Applicant will comply with all applicable federal, state and local laws and regulations in completing and operating the project, including, without limitation, local zoning laws and codes and Fair Housing Laws.
- Applicant certifies that the funds requested will be used by the Applicant only for eligible costs associated with the project.
- Applicant has the ability and capacity to implement the project and has duly committed its own funds to the project as described in the application.
- No project costs for which PCHTF assistance is requested have been incurred by the Applicant to the date hereof (outside of costs associated with project feasibility), or will be incurred by Applicant prior to PCHTF approval of the project.
- Applicant has identified local housing needs in the community in which the project is located, and the project is designed to meet such needs in whole or in part and to be consistent with local laws, codes and housing plans.
- Applicant (if other than a political subdivision or governmental agency) hereby gives permission to the PCHTF to research Applicant's history, make credit checks, contact Applicant's financial institution, and perform other related activities necessary for the reasonable evaluation of this application.
- Applicant certifies that they understand that all of the requirements of this application will be incorporated into the Grant/Loan Agreement if approved for funding by the PCHTF Board of Directors.
- Applicant understands that information submitted to the PCHTF relating to this application may be public information.
- Applicant understands that a Mandatory Feasibility Threshold must be met prior to the application being considered for funding.

APPLICANT: Hatch Development Group & Kiernan Development & Construction LLC

Michael Kiernan
Signature

1/8/2020
Date

Michael Kiernan, Kiernan Development & Construction LLC
Print Name

President
Title

RE: Multi-family Rental Application 2019-2020

THE FOLLOWING MUST BE SUBMITTED AS EXHIBITS TO THE APPLICATION

- A.** Detailed description of the project, including address and legal description. Site plan, elevations of the buildings, and description of exterior materials. Number of units \leq 30% Median Family Income and total number of units in all other income groups within the project. Construction Schedule. Experience and information about the developer and the management company including ownership and management of similar projects.

- B.** Provide an operating proforma for a minimum of 15 years including reserve funds and annual dollar commitment to maintenance.

- C.** Length of time development will be committed for low income housing.

- D.** Description of any Supportive Services to be provided at the site.

- E.** Letter of Support from Neighborhood Organization. PCHTF requires that the Developer meet with or request the Neighborhood organization submit a letter of support for their project. The neighborhood letter can be received after information is submitted to the PCHTF.

Applicants should submit an electronic copy of the application; along with electronic copies of all Exhibits to Lori Kauzlarich at:
lkauzlarich@pchtf.org

\$150.00 application fee payable to: Polk County Housing Trust Fund
505 5th Avenue, Suite 1000
Des Moines, IA 50309

Exhibit A

Narrative Overview of Foster Care & Workforce Housing Project

Sixth Avenue Flats, LLC
1230 6TH Avenue
Des Moines, Iowa 50314

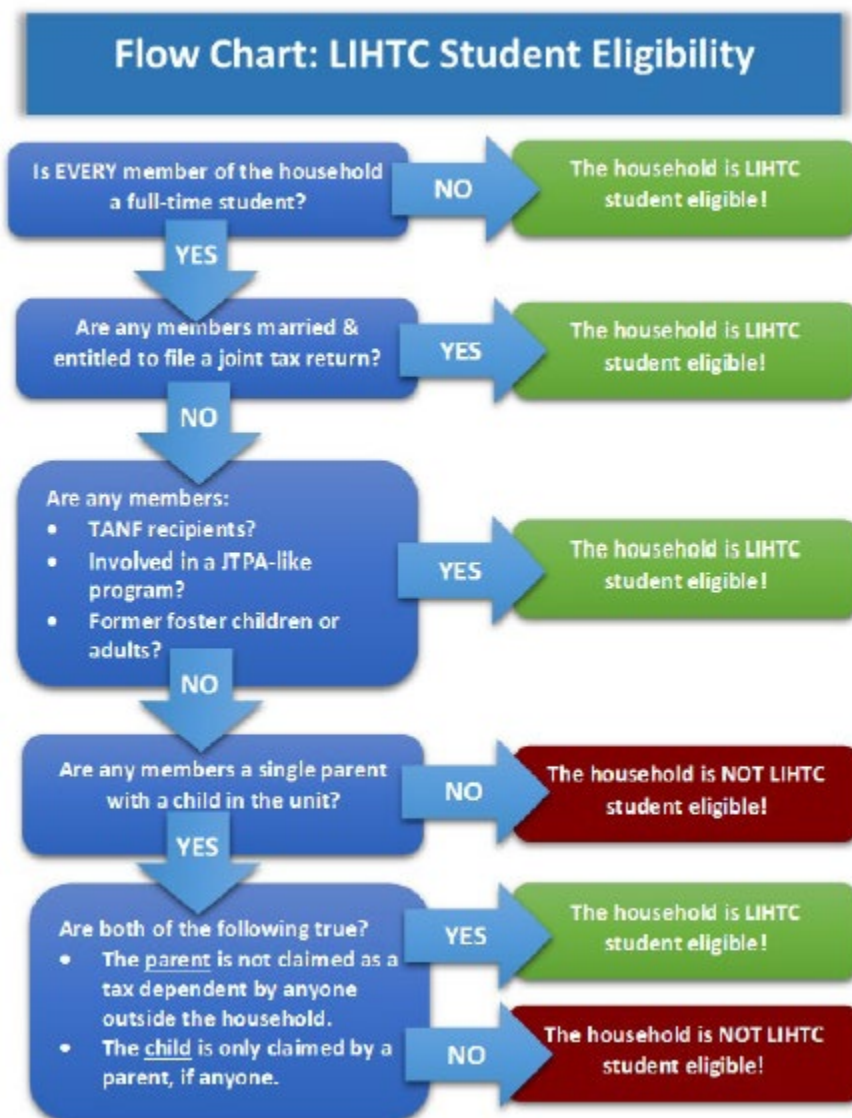
Youth and Shelter Services (YSS) is partnering with Hatch Development Group (HDG) & Kiernan Development & Construction to utilize the State of Iowa's Affordable Housing Tax Credits (LIHTC) to construct an affordable housing apartment building located near the Des Moines Area College Urban Campus.

The proposed development would be located at 1230 6th Ave. in Des Moines. Legally described as Lots 35, 36, 37 and 38 in Grand Park in the City of Des Moines.

The project will be a five-story building consisting of 42 units and office space for supportive services by Youth & Shelter Services. Seven of which will be <30 percent, thirteen <40 percent, 18 <60% of median income, and four market rate.

The units would be made available to foster kids who have been aged out.

Under Iowa and Federal law, adult foster children, or those that have been in foster care at the age of 13 years or thereafter, can be classified as full-time students. They are one of five classes to qualify as full-time students allowed in affordable housing.



Financial Structure

Under the structure Hatch Development Group, LLC & Kiernan Development & Construction, LLC along with Youth and Shelter Services (YSS) would partner to qualify for the Iowa Finance Authorities “supportive services” set aside for the 9% tax credit 2020 funding round. Hatch and Kiernan created a limited liability partnership (Sixth Avenue Flats, LLLP) that will ultimately have a tax credit investor as a limited partner. The limited partner (tax credit investor) is the majority equity holder (99.9) for 15 years.

At the end of the 15th year, the tax credit investor has received their return on investment and divests its equity stake to the limited partner. Hatch and Kiernan will transfer that divestiture to YSS, making the future ownership to the non-profit instead of assuming private ownership. This structure is allowed by the Iowa Finance Authority Low Income Housing Tax Credit rules and regulations.

Please see attached appendices from the Iowa Finance Authority that sets out guidelines under the “supportive services” set aside that does not reward YSS to own the building for the first 15 years.

Why the Partnership?

According to the Iowa Student Aid Commission, “. . . “ (Please see attached study by the Iowa Student Aid Commission).

A positive education experience has the potential to be a powerful counterweight to the abuse, neglect, separation, impermanence and other barriers these vulnerable student's experience.

Additionally, participation in and persistence to a postsecondary credential can enhance their well-being, help them make more successful transitions to adulthood, and increase their chances for personal fulfillment and economic self-sufficiency.

National research shows that children in foster care are at high-risk of dropping out of school and are unlikely to attend or graduate from college. A coordinated effort by local and state education agencies and child welfare agencies is necessary to improve the educational outcomes for students in foster care. Fortunately, the last few years have seen important policy, practice, and advocacy advances that address the education barriers and supports needed for these vulnerable students.

- DMACC's - Connecting Young Adults program has been providing services to foster kids entering postsecondary schooling.
- DMACC understands the difficulties youth face entering college after leaving foster care and already assists with bus passes, rent assistance, counseling, tutoring, advisors and social events.
- YSS has supported transition age youth in Des Moines since 1985. The YSS brand name in Des Moines is Iowa Homeless Youth Centers (IHYC) and their focus is supporting transition age youth between the ages of 16-24, helping them become successful adults. They currently struggle to place more than 90 transitioning foster adults in safe, clean affordable housing every year. They work with youth through five key areas of focus: employment, education, living skills, positive community engagement and safe housing.

YSS Programs include:

- **Mental Health Counseling** – this program provides crisis intervention and weekly counseling specifically designed to support transition age youth.
- **Drop-in Center / Youth Opportunity Center** – a safe place for youth to access services such as showers, laundry, food, clothing, art programming, and our computer lab.
- **Meal Program** – This program at our Youth Opportunity Center located at 612 Locust St. provides fresh, healthy meals 7 days a week, free of charge.
- **Street Outreach Program** – our Street Outreach team goes out into the community in search of homeless youth living on the streets to provide them basic need items, survival kits, hygiene products, and to help them get off the streets.
- **Youth Emergency Bed Program** – 9 youth-focused emergency beds are located at our Youth Opportunity Center (612) for homeless youth to access. This program is staffed 24 hours.
- **Supportive Housing Programs:**
 - The **Rapid Rehousing program** serves youth 18-24 to help them find stable housing faster, by connecting them with housing and providing rent assistance.
 - The **Lighthouse Transitional Living Program** serves pregnant and parenting homeless young families

- **Iowa Aftercare Services Network** – IASN provides case management and support to youth (ages 18-21) that have aged out of the Iowa foster care system. Youth that have been in foster care automatically qualify for low-income housing. We serve over 130 youth that have aged out of foster care in the Des Moines area. A high percentage of these youth attend DMACC Urban Campus to continue their education goals.
- **Post-Secondary Education Retention Program (PSERP)** – Works with youth as they complete their trade school, two-year associate's degree at DMACC and/or transition into a 4-year college degree. Program components include case management, financial coaching, mentor matching, a study tables, and a monthly financial stipend. These 18 youth would also qualify for low-income housing and 90% attend DMACC Urban Campus.
- **Rooftop Gardens (workforce training) Program** – opening April 2019 we will employ 12 youth annually to help operate our hydroponic rooftop garden and grow fresh leafy greens year-round in climate controlled refurbished shipping containers

Supportive Services

The following services will be offered for individuals that live in this apartment project (all ages) include:

- 1) Mental health counseling onsite (x2 FTE) to help with behavioral health needs and substance use assistance.
- 2) Iowa Aftercare Youth Advocate onsite (x1 FTE) – works with individuals that have aged out of the foster care system.
- 3) Free food pantry for apartment residents located on each floor of the building
- 4) Community Library onsite
- 5) Individual or group study space
- 6) Free wireless internet and access to a community computer
- 7) Daily access to YSS Youth Opportunity Center located at 612 Locust St for additional support if needed

Examples of assistance provided to youth by the Aftercare and PSERP program:

- a. Help securing a stable job
- b. Applying for financial aid to attend school
- c. Connecting youth with community resources
- d. Help obtaining a copy of vital documents (birth cert or ID)
- e. Transportation assistance to work, school, or medical appointments
- f. Basic need items; such as food, clothing, or hygiene products
- g. Furniture and move-in assistance after securing an apartment

This proposal brings together two organization's goals of helping foster kids succeed with the services DMACC and YSS each provide. This is a ground breaking collaboration between two community oriented service providers and a unique collaboration associated with affordable housing developers.

The partnership would allow greater opportunity for foster kids to reach a productive adult life with economic self-sufficiency by getting their postsecondary education. This would serve as a Statewide model of how to provide quality education, supportive services, and safe affordable housing to those most in need.

Time Line/Construction Schedule for The Flats on Sixth

- | | | |
|----|------------------------|----------------|
| 1. | IFA Submission | March, 2020 |
| 2. | IFA Approval | August, 2020 |
| 3. | Financial Closing | January, 2021 |
| 4. | Architect Design | March, 2021 |
| 5. | Construction Estimates | April, 2021 |
| 6. | Contractors Selected | April, 2021 |
| 7. | Construction Begins | April, 2021 |
| 8. | Construction Ends | February, 2022 |
| 9. | Full Occupancy | May 2022 |



Developing Urban Neighborhoods. Des Moines. Cedar Rapids. www.hatchdevelopment.com

LIHTC Properties Developed by Hatch Development Group:

Woodland Avenue Brickstone

1500 Woodland Avenue 16 Home Fund Units
Des Moines, Iowa 50314 42 Market Rate Units

East Village Square

333 East Grand Avenue 51 Tax Credit Units
Des Moines, Iowa 50309 64 Market Rate Units

Stockbridge Apartments

1815 High Street 42 Tax Credit Units
Des Moines, Iowa 50309

MLK Brickstone I Apartments

1039 19th Street 18 Tax Credit Units
Des Moines, IA 50309

Oak Hill Jackson Brickstones

96 Tax Credit Units
Cedar Rapids, IA 52401

MLK Brickstone II Apartments

30 Tax Credit Units
1051 19th Street
Des Moines, IA 50309

Olive Street Brickstone Housing, LLLP 21 Tax Credit Units

1710 High Street
Des Moines, IA 50309

Des Moines Greystone Homes, LP

26 Tax Credit Units
Des Moines, IA 50314

Southern Meadows Homes, LP

38 Tax Credit Units
2800 SE 8th Street
Des Moines, IA 50315

Hatch Development Group (HDG) Personnel:

Jack Hatch

Jack is the principal of Hatch Development Group, was an Iowa State Senator who has conducted private business under Hatch & Associates Company since 1979, and is now operating as the Hatch Development Group, LLC. HDG

was formed to provide a vehicle for Senator Hatch's long standing desire to revitalize the urban neighborhoods of Des Moines. Since focusing on housing development, Senator Hatch has become a forceful proponent of blending historical rehabilitation with new construction to revitalize inner city neighborhoods. His Woodland Avenue Brickstone project has won national acclaim and was recognized as one of the catalysts for the resurgence in downtown Des Moines development. Senator Hatch is also a partner in Perennial Properties Management Service, LLC with his wife, Sonja Roberts.

Dale Todd

Dale is a former Cedar Rapids city council person from 1994-1998 and was Commissioner of Parks during his tenure on the council. He oversees the general development of our business in the Cedar Rapids area and represents HDG with neighborhood leaders, city council, county board of supervisors and business interests. His expertise in community affairs, real estate financing and business development allows HDG to continue finalizing our plans to build in Cedar Rapids.

Ryan Galloway

Ryan Galloway, Director of Development, structures the projects' financing and formulates strategies for new developments while also assisting in the construction management and compliance monitoring. Mr. Galloway worked at Ernst & Young in Des Moines for four years and is a 2004 graduate of the University of Iowa.

Exhibit C

The project will be committed to low income housing for a minimum of 30 years.

Exhibit D

YSS/IHYC Supportive Services for The Sixth Ave Flats

Supportive Services that will be offered for individuals that live in this apartment project (all ages) include:

- 1) Mental health counseling onsite (x2 FTE) to help with behavioral health needs and substance use assistance.
- 2) Iowa Aftercare Youth Advocate onsite (x1 FTE) – works with individuals that have aged out of the foster care system.
- 3) Free food pantry for apartment residents located on each floor of the building
- 4) Community Library onsite
- 5) Individual or group study space
- 6) Free wireless internet and access to a community computer
- 7) Daily access to our Youth Opportunity Center located at 612 Locust St for additional support if needed

Exhibit E

We have contacted the Neighborhood Association and the Sixth Avenue Corridor. We will be attending the organization next meetings.



January 8, 2020

Jack Hatch
Sixth Avenue Flats, LLC
696 18th ST
Des Moines, IA 50314

RE: Letter of intent to invest equity in Sixth Avenue Flats (Des Moines, IA)

Dear Jack:

I am pleased to inform you of Enterprise Community Investment's ("Enterprise") interest in syndicating the Low Income Housing Tax Credits ("LIHTCs") for the Sixth Avenue Flats (the "Project"), which is being submitted for an allocation of 9% Tax Credits from the Iowa Finance Authority. Enterprise is one of the leading syndicators of low income housing tax credits. Since the enactment of the federal Low Income Housing Tax Credit program in 1986, Enterprise has raised over \$14 billion in equity for the development of low income housing.

The purpose of this letter is to outline the basic terms and conditions under which an equity fund or funds (the "Fund") of which Enterprise is general partner, would make an equity investment in the Project. The pricing and terms reflected in this letter are subject to changes in market conditions.

Below is a summary of the details of the transaction:

Project Characteristics:

Project Name:	Sixth Avenue Flats
Owner:	Sixth Avenue Flats, LLC
Description:	New construction of 42 apartments in one building.
Financing:	\$7,560,000 in LIHTC equity; \$3,174,300 in permanent, must-pay debt financing, and additional cash-flow contingent sources including \$308,616 in deferred developer fee.



Equity Investment Terms:

LIHTC – Amount:	\$7,560,000 based on 99.99% interest at a price of \$0.90 per dollar and an allocation of \$840,000 of LIHTC.
Tax Credit Rate:	9.00%
Applicable Fraction:	The applicable fraction for eligible basis will be 90.48%.
Form of Investment:	The Partnership will have as General Partner a to-be-determined entity with a 0.01% partnership interest. The Fund will be the investor Limited Partner with a 99.99% membership interest.
Timing of LIHTC Investment Advances:	To be determined based upon requirements of IFA, but projected with the following pay-in schedule: <ul style="list-style-type: none">• Closing: 10% of total equity• During Construction: 5% of total equity• Completion: 20% of total equity• Conversion/Stabilization: 64% of total equity• 8609s: 1% of total equity
Reserves:	Generally, will include a lease-up reserve (amount of projected operating deficit during lease-up), if necessary, an operating reserve (six months operating expenses and replacement reserves), and a Replacement Reserve funded from ongoing project operations (likely \$300-350 per unit per year).
Guarantees:	The managing member of the General Partner or another entity approved by Enterprise, shall guaranty the following obligations: <ul style="list-style-type: none">A) Lien-free construction completion of the Company Project;B) Operating deficits until the project has achieved three consecutive months of required debt service coverage equal to 115%;C) Operating deficits up to a maximum of six months operating expenses and replacement reserves for five consecutive years following initial achievement of three consecutive months of required debt service coverage equal to 115%;D) Guarantee the payment of all cash contributions related to credit adjusters;E) Repurchase the Fund’s interest in the Company for the total for 110% of capital contributions made to date by the Investor Member.
Syndication Expenses	The General Partner will pay the Limited Partner an annual



Asset Management Fee: investor services fee of \$5,000 (inflating 3% per year). No other syndication or asset management fees or expenses will be assigned to the Project.

Legal/Syndication Fees: The Partnership will pay its attorneys for Project related legal costs and the Limited Partner will pay its attorneys. No Syndication Costs will be assigned to the Partnership. The Limited Partner will pay all Syndication expenses.

Conditions for Final Approval of Equity Investment:

1. Reservation of requested tax credits from the Iowa Finance Authority.
2. Review of all tax credit documentation.
3. Review of written commitments from all components of financing.
4. Review of environmental assessments and third-party market study.
5. Review of construction plans, specs, contracts and cost estimates.
6. Satisfactory financial statements and credit reports on the sponsor and all guarantors to assure sufficient financial substance backing guaranties.

We look forward to working with you on this transaction. For additional information or questions on this letter of intent, please feel free to contact me at (410) 564-8081 or at mrossi@enterprisecommunity.com.

Sincerely,

A handwritten signature in blue ink that reads "Mike Rossi".

Mike Rossi
Senior Director, Acquisitions

APPENDIX A SUPPORTIVE HOUSING FOR FAMILIES SET-ASIDE

PART 1 – REQUIREMENTS

SECTION 1 – GENERAL INFORMATION

1.1 PURPOSE

This set-aside is for a Project that shall provide permanent supportive housing for families experiencing homelessness. An Applicant applying for this set-aside shall not apply for the same Project in another set-aside or in the General Pool. If this set-aside is filled and the Project remains unfunded, the Project may not compete in any other set-aside or in the General Pool.

1.2 PROJECT REQUIREMENTS

Only one Application may be approved for the set-aside. The Project must meet all QAP threshold items, as well as the additional requirements of this set-aside, which will be determined by IFA in its sole discretion based on an individualized in-depth analysis of each Project.

The Project shall meet all QAP threshold items specific to the funding requested, unless otherwise specified. The Project shall meet any additional requirements of the Supportive Housing for Families set-aside (additional requirements will be determined by IFA at its sole discretion).

The Project shall reserve the required minimum number of Units to provide permanent supportive housing to families experiencing homelessness.

“Families experiencing homelessness” is defined for this set-aside as an individual or family who meets the definition of Homeless from the U.S. Department of Housing and Urban Development at 24 CFR Part 91.5.

["Homeless" Definition-Cornell Law](#)

Homeless.

- (1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:
 - (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
 - (ii) An individual or family living in a supervised publicly or privately-operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or
 - (iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;
- (2) An individual or family who will imminently lose their primary nighttime residence, provided that:
 - (i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance;
 - (ii) No subsequent residence has been identified; and
 - (iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks needed to obtain other permanent housing;
- (3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:
 - (i) Are defined as homeless under section 387 of the [Runaway and Homeless Youth Act \(42 U.S.C. 5732a\)](#), section 637 of the [Head Start Act \(42 U.S.C. 9832\)](#), section 41403 of the [Violence Against Women Act of 1994 \(42 U.S.C. 14043e-2\)](#), section 330(h) of the [Public Health Service Act \(42 U.S.C. 254b\(h\)\)](#), section 3 of the [Food and Nutrition Act of 2008 \(7 U.S.C. 2012\)](#), section 17(b) of the [Child Nutrition Act of 1966 \(42 U.S.C. 1786\(b\)\)](#), or section 725 of the [McKinney-Vento Homeless Assistance Act \(42 U.S.C. 11434a\)](#);
 - (ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;

(iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
 (iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

(4) Any individual or family who:

(i) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
 (ii) Has no other residence; and
 (iii) Lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, to obtain other permanent housing.

A Project shall meet the following requirements:

- Be new construction or adaptive reuse;
- Be a Family Project without age restrictions; and
- Reserve ten percent (10%) of the total Project Units (rounded up to the next full Unit) or four Units, whichever is greater, to persons experiencing homelessness. These Units shall be leased only to qualified families experiencing homelessness;
- Units reserved for this set-aside shall be dispersed throughout the Property and in different bedroom sizes rather than segregated;
- Provide adequate community space to allow for the delivery of any supportive services to be made available to tenants on-site, as applicable;
- The Units reserved for families experiencing homelessness shall remain reserved for this purpose through the entirety of the LURA.
- Partner with an IFA approved qualified service provider that provides supportive services to families experiencing homelessness in the proposed Project's market area and has the capacity to refer households qualified as Homeless to the Project; and
- Demonstrate a strong relationship with a qualified service provider that will provide supportive services to families experiencing homelessness that will reside in the Project. IFA shall review the written agreement between the entities to ensure that there is a commitment to an extensive and long-term working relationship. IFA will review the capacity of the Developer and qualified service provider to provide permanent supportive housing including their experience with such a Project.

SECTION 2 - QUALIFIED SERVICE PROVIDER INFORMATION AND REPORTING REQUIREMENTS

2.1 QUALIFIED SERVICE PROVIDER

The Applicant shall enter into a written agreement with the qualified service provider to provide supportive services to families experiencing homelessness who will reside in the Project. The Developer, property manager and qualified service provider shall enter into a written agreement to forge an extensive and long-term partnership to provide permanent supportive housing to eligible tenants.

2.2 QUALIFIED SERVICE PROVIDER CAPACITY DETERMINATION

The qualified service provider must be approved by IFA prior to application submission in order for the Project to be eligible for an award of Tax Credits. IFA reserves the right to deny approval to any proposed qualified service provider that has failed to comply with program requirements in the administration of any previous project funded by IFA through any of its programs.

The Applicant shall submit a completed Exhibit 1HSA - Qualified Service Provider Capacity Determination form and a complete copy of the qualified service provider's most recent independent audit (fiscal year 2018 or later) through the online Application between Jan 2, 2020 and February 21, 2020. Within 10 business days IFA staff

shall make a determination of the qualified service provider's capacity to carry out responsibilities related to the Supportive Housing for Families set-aside Project.

The qualified service provider must have:

- (1) received a funding award since October 1, 2016, under one or more federal programs providing housing related services to families experiencing homelessness
- (2) direct experience providing services to families experiencing homelessness within the city which the proposed Project will be located;
- (3) the necessary experience, staffing and operational capability to deliver case management and services to families experiencing homelessness residing in the supportive housing Project; and
- (4) demonstrated the capacity to provide an adequate number of eligible tenants to occupy the permanent supportive housing units set aside for families experiencing homelessness in the Project throughout the Compliance Period.

Collaborations or partnerships among agencies may be proposed to address the needs of supportive housing tenants as part of the capacity determination, although the lead qualified service provider must meet all threshold requirements for capacity determination.

Staff may request additional clarifying information to confirm the information submitted in the Exhibit. IFA reserves the right to verify information contained in the Exhibit and to discuss the Applicant's and Project qualifications. IFA also reserves the right to obtain and consider information from other sources concerning a qualified service provider and Project.

2.3 REPORTING REQUIREMENTS

The Project shall submit participant information for those tenants living in the Units designated for families experiencing homelessness, utilizing the Iowa Homeless Management Information System ("HMIS"), according to HUD's HMIS Data and Technical Standards. This includes minimum participant demographic information according to HUD's standards for "Other Permanent Housing (OPH)," which means permanent housing projects that are designated for homeless people that provide housing and services, but for which disability is not required for entry. If the qualified service provider qualifies primarily as a domestic violence service provider, the information shall be submitted in a database that meets HUD's standards as a comparable database.

SECTION 3 – UNDERWRITING

3.1 BASIS BOOST

The selected Project shall be eligible for a thirty percent (30%) basis boost and will be allowed to exceed the Tax Credit Cap per LIHTC Unit. The maximum Tax Credit amount that will be awarded to the one Project is \$840,000.

3.2 SET-ASIDE RENTS

Set-aside Units will be underwritten assuming zero income.

PART 2 – SCORING (MAXIMUM 100 POINTS)

IFA will award scoring points based on information provided in the on-line Application. IFA shall make the final determination of the Applicant's score. In addition to the points awarded in the on-line Application, a threshold requirement of 50 points must be met under the criteria set forth below in Part 2 – Scoring – Sections 1-4.

SECTION 1 – TENANT CHARACTERISTICS AND SELECTION PROCESS (17 POINTS)

Describe the target population (families with children or adults) for the set-aside Units in the proposed Project. (5 points for families with children)

Describe the tenant eligibility screening criteria, including any disqualifiers, or prioritization criteria. (3 points)

Describe the outreach plan to bring potential tenants into the Project. If participating in a community's Coordinated Entry system, as defined by HUD, describe this. (A HUD Coordinated Entry Policy Brief is available here: <https://www.hudexchange.info/resource/4427/coordinated-entry-policy-brief/>). (3 points)

Describe proposed eviction mitigation practices for the supportive housing tenants. (3 points)

Describe the proposed plan to ensure effective communication among the developer, property manager, service provider, and all tenants. (3 points)

SECTION 2 – SUPPORTIVE HOUSING SERVICES PLAN (20 POINTS)

Describe how and where services will be provided to participants.

Accessibility and Availability of Services – 2 points each – maximum of 6 points

Required:

- Case Management
 - Assistance in obtaining:
 - mainstream benefits;
 - increased income; and/or
 - employment assistance and training.
- Financial Management/Budgeting
- *Any Additional Services

Additional Services – 2 points per additional service – maximum of 14 points

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> ▪ SOAR Services ▪ Life Skills ▪ Describe Life Skills Services: ▪ Community Involvement/Social Support/Recreation ▪ Primary Health Services ▪ Education ▪ Describe Education Services: ▪ Chemical Dependency Services | <ul style="list-style-type: none"> ▪ Mental Health Services ▪ Co-occurring Disorder Services ▪ Traumatic Brain Injury Services ▪ Physical Disability Services ▪ Childcare and other child services ▪ Legal Services ▪ Transportation other than Public Transportation |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

SECTION 3 – PARTICIPANT OUTCOMES (8 POINTS)

Describe planned participant outcomes and how they will be measured. (4 points Housing Stability Outcome Goals; 4 points Other Outcome Goals)

Housing Stability Outcome Goals	Indicators/Measures	Data sources and measurement tools
Example: <i>Long term homeless households will maintain stable housing.</i>	<i>80% of homeless households will maintain housing for six months or more.</i>	<i>HMIS length of stay data.</i>
Example: <i>Exits to permanent housing.</i>	<i>80% of homeless households who exit, exit to permanent housing</i>	<i>HMIS exit data.</i>

Other Outcome Goals	Indicators/Measures	Data sources and measurement tools
Example: <i>Maximize income and benefits for all households.</i>	<i>90% of households will apply for all benefits for which they are eligible within six months of program entry.</i>	<i>Case records, HMIS income data.</i>
Example: <i>Maximize income from employment for all households.</i>	<i>30% of households have increased income from employment within six months of program entry.</i>	<i>HMIS employment income data.</i>

SECTION 4 – OTHER SCORING (55 POINTS)

The Developer has completed a LIHTC project that includes Units reserved for the families experiencing homelessness, in such role, since July 1, 2015: 1 project – 5 points, 2 points for each additional completed project – up to 10 points. (Maximum of 15 total points)

The Developer, managing member and General Partner do not have an Identity of Interest with the qualified service provider. (10 points)

The property is appropriately zoned for the proposed Project. (4 points)

Describe the partnership between the Developer, property management company and qualified service provider, and any previous experience these entities have working together. (5 points)

Location Near Services – Public Transportation (shall indicate bus stop location) – the Project is located within one quarter (1/4) of one mile (4 points).

Project-based rental assistance from a source other than the Owner, Developer, property manager, qualified service provider or affiliated entities. The project-based rental assistance contract must be in place for a minimum of 5 years and must be a one hundred percent (100%) rent subsidy providing assistance equal to the established rent for the unit minus the tenant household’s financial contribution.

Set-Aside Units Covered by a Project-Based Rental Assistance Contract	
One Set-Aside Unit	1 point
Two Set-Aside Units	2 points
Three Set-Aside Units	3 points
Four Set-Aside Units	4 points

Describe efforts taken to date to inform residents and solicit neighborhood feedback/input on the proposed project. (5 points)

SECTION 5 – 2020-21 QAP SECTION 6 - SCORING NOT AVAILABLE IN THE SUPPORTIVE HOUSING FOR FAMILIES SET-ASIDE (ALL OTHER 2020-21 QAP THRESHOLD AND SCORING ITEMS APPLY)

6.1.4 Provides an Opportunity for Homeownership

6.3.3.1 Federal Project-Based Rental Assistance