



Summary of Changes for 2026-2027 Qualified Allocation Plan *2nd Draft*

This summary reflects changes made between the 1st and 2nd drafts of the 2026-2027 QAP. Minor formatting, wording, grammatical changes, and clarifications are not identified in this list.

Section 3: Private Activity Tax-Exempt Bond Financing

- Maximum bond request per development increased from \$35,000,000 to \$45,000,000

Section 4: Set-Aside Categories

- **4.1: Qualified Nonprofit-** limitation on nonprofit board chair changed to “board chair or president may not be employed by a for-profit development or property management entity that is a part of the Development Team.”

Section 5: Threshold

- **5.1(H)(4): Demonstrated ability to obtain funding for the development-** clarified new rule about uncommitted sources. Language now reads “if the combined value of all uncommitted, non-IHCDA sources exceeds 15% of the total development sources, the application will fail threshold.”
- **5.1(K): Phase I Environmental Site Assessment-** clarified that the narrative only needs to address the anticipated date of receipt of the No Further Action letter if applicable
- **5.2(C): Vacancy Rate-** added exception that applications proposing rehabilitation of existing rental housing may use a 5% vacancy rate if the actual vacancy rate for the project has been 5% or less for the previous three years, as demonstrated by rent rolls.
- **5.2(I): Stabilized Debt Coverage Ratio-** added new category. For developments with 221(d)(4) or 223(f) loans, the DCR range will be 1.11-1.45 to align with new HUD underwriting standards for those loan products.
- **5.3(B): Developer Fee Limitations-** removed maximum percentage of developer fee that can be deferred. Will now be determined on a case-by-case basis based on underwriting and ability to pay the deferred fee within the 15-year compliance period.
- **5.4(E): Accessibility Requirements for Age-Restricted Developments and Supportive Housing Set Aside-** updated requirements for rehabilitation of existing housing with an elevator.

Section 6: Scoring Criteria

- **6.1(A): Rent Restrictions-** added clarifying note that competitive 4%/bond deals are not scored in this category. This was an existing policy from Schedule D but was added here for clarity.
- **6.1(B): Income Restrictions-** added clarifying note that competitive 4%/bond deals are not scored in this category. This was an existing policy from Schedule D1 but was added here for clarity.
- **6.2(A): Development Amenities-** expanded Chart 1, Column C architectural features with additional options for all electric utilities and use of solar or geothermal. Maximum points and the maximum number of features needed to score does not change, this just expands the available options to receive points under Column C.

- **6.2(B): Accessible or Adaptable Units**- updated scoring percentages for rehab of existing housing with an existing elevator
- **6.2(E): Preservation of Existing Rental Housing**- category name changed from “Preservation of Affordable Housing” to “Preservation of Existing Rental Housing.” Added four-point option for preserving existing market rate rental housing and converting to affordable housing.
- **6.2(F): Infill New Construction**- removed language about previous non-agricultural use
- **6.2(F): Infill New Construction**- changed “the site must use existing utilities and infrastructure” to “the site has or can connect to existing utilities and infrastructure”
- **6.2(K): Internet Access**- adding additional option to get points by including internet costs in the utility allowance calculation for purposes of calculating rent instead of owner directly paying for internet
- **6.3(C): Desirable Sites**- changed column B from “services” to “services and retail” and added options for “restaurant, café, or diner”, “clothing store”, and “dollar store (if not already counted as a store with fresh produce for “access to fresh produce” points)”
- **6.4(E): Housing Need Index**- clarified that the category for ratio of existing LIHTC units includes both 4% and 9% projects that are within their extended use periods
- **6.5(B): Unique Features**- competitive and noncompetitive bond applications will now be scored in this category to provide more point opportunities for bond applications
- **6.5(E): Integrated Supportive Housing**- in the list of primary team members who have previously attended the Institute, changed “developer” to “developer entity” to clarify it must be the same organization

Schedules:

- **Schedule D: Noncompetitive Process for Tax-Exempt Bonds and 4% LIHTC without AWHTC**
 - **Part B: Funding Limitations**- Maximum bond request per development increased from \$35,000,000 to \$45,000,000
 - **Part D: Scoring Criteria**- Added this part to clarify which QAP scoring categories do not apply to competitive bond applications. These were previously listed in the QAP but are now also cross-referenced in Schedule D for clarity.
 - **Part D: Scoring Criteria**- Added points for previous bond experience. This scoring was previously only available for competitive bond applications. Adding it here provides more point opportunities for bond applications.
- **Schedule D1: Competitive Process for Tax-Exempt Bonds, 4% LIHTC, and AWHTC**
 - **Part B: Funding Limitations**- Maximum bond request per development increased from \$35,000,000 to \$45,000,000
 - **Part E: Scoring Criteria**- Clarified which QAP scoring categories do not apply to competitive bond applications. These were previously listed in the QAP but are now also cross-referenced in Schedule D1 for clarity.
- **Schedule D2: 501(c)(3) Tax-Exempt Bond Financing**
 - No changes
- **Schedule I: Procedures for Accessing HTF Funds**
 - **Part D: Eligible Applicants**- HTF funds will be provided in the form of a loan to the ownership entity (LP or LLC)
 - **Part K: Loan Term**- Established loan terms
- **Schedule J: Procedures for Accessing Development Fund Loans**
 - No changes

Forms: Draft forms will be released at a future date after the QAP policy is finalized, and a separate opportunity will be provided to test and provide feedback on forms.