

## 2025 Housing Tax Credit Program

Guidance on Project Concept Process

Updated: October 15, 2024



### Project Concept Submissions

- Project Concept submissions should include only the items on the Project Concept Application Checklist. The checklists of Threshold and Scoring items in the Multifamily Application (MFA) is only required for the Full Application for those Project Concepts invited to submit a Full Application in March 2025.
- There is no limit on the number of Project Concepts that individual applicants can submit. No more than two projects from each developer will be invited to submit a Full Application in accordance with the limit of awards per developer established in the QAP.

### Project Concept Reviews

- Threshold Requirements
  - WHEDA will review all items from the Project Concept Application Checklist to verify satisfactory compliance with the requirements as defined in the Qualified Allocation Plan and Project Concept Application Checklist.
  - Multifamily Applications (MFAs) must meet all requirements established in Appendix D: Underwriting Criteria except for evidence of 80% committed sources. Financing commitments are not required to be in place at the Project Concept stage.
- Scoring Categories
  - The only scoring category that will be considered for application selection at the Project Concept stage is Category D.1. Credit Efficiency.
  - Several other scoring categories are auto populated in the MFA based on other inputs in the MFA but these categories will not be considered in selecting Project Concepts that will be invited to submit a Full Application.

### Project Concept Determinations

- WHEDA will rank all applications meeting Threshold Requirements within each Set-Asides by Credit Efficiency Score.
- WHEDA will review the top-ranking applications for the following conditions:
  - Ensure nonprofit-led applications for 9% Credits will result in minimum allocation of 10% of available 9% credits.
  - Ensure applications for projects that consist of the rehabilitation of existing rental housing will result in minimum 10% and a maximum of 15% of available Credits on both 9% and State Credit programs.
  - No overconcentration of applications exists within any individual market area.
  - Requests for each credit type (9% and State Credit) do not exceed to available Credit in each Set-Aside.

- If any of the conditions listed above are not met, WHEDA will either add or remove applications from the top-ranking application pool based on the highest credit efficiency score and distribution of applications meeting these conditions within each Set-Aside subject to WHEDA discretion.
  - If Credit requests for the specific Credit types exceed 150% of the available Credit within each Set-Aside, WHEDA may elect to invite projects to submit a Full Application for the other credit types under the set-asides that are not fully subscribed. See Example Scenarios for further explanation of this process.

Example Scenarios:

- WHEDA receives Project Concepts in the Rural Set Aside requesting a total of \$12,000,000 in 9% credits and \$1,000,000 in State Credits.
  - After accounting for all required conditions, WHEDA will select the top applications requesting 9% Rural Credits up to the buffer amount. The next highest-ranking project(s) that applied for 9% Rural Credit will be offered a Project Concept Designation of Accepted with Conditions with a condition that the Full Application is made for State Credits of an amount that achieves the equivalent Credit Efficiency score as the initial application for 9% credit.
- WHEDA determines that among the top-ranking Project Concepts, less than 10% of the 9% Credits are Nonprofit-led projects.
  - WHEDA will select the next-highest ranking Project Concepts led by Nonprofits among all three Set-Asides and move them into the top-ranking application pool in place of the lowest-ranking Project Concepts within the respective Set-Asides.
- Applications for up to 150% of the available credits within each Set-Aside will be invited to proceed with submitting a Full Application.
- WHEDA will use the assumptions below to establish the basis for estimating availability of Credits for the purposes of establishing the number of Project Concepts to be selected. Note that actual availability of Credits may deviate from these numbers based on variables such as the establishment of the 2025 Credit Ceiling for the 9% Credit, returned Credit from previously allocated projects, etc.

Set-Aside	9% Credits	150% Buffer	State Credits	150% Buffer	Total Credits	Total 150% Buffer
General	\$8,500,000	\$12,750,000	\$3,500,000	\$5,250,000	\$12,000,000	\$18,000,000
Small Urban	\$4,250,000	\$6,375,000	\$1,750,000	\$2,625,000	\$6,000,000	\$9,000,000
Rural	\$4,250,000	\$6,375,000	\$1,750,000	\$2,625,000	\$6,000,000	\$9,000,000
Total	\$17,000,000	\$25,500,000	\$7,000,000	\$10,500,000	\$24,000,000	\$36,000,000

**Changes after Project Concept phase**

After the Project Concept phase, projects will be restricted from changing the following elements of the project:

- Location: The selected site may not change.
- Credit efficiency: The Credit Efficiency score may not decrease.

- Unit mix: Applicants are encouraged to perform their initial due diligence, market, and design analysis to ensure unit features, composition and affordability will be in line with the final submission beyond the concept submission. Minor changes to unit composition will be permitted at the final submission, however the development must maintain the credit efficiency score submitted at the concept stage. Decrease in total number of units from the concept stage will not be allowed.
- Set Aside: Applicants may not self-select another set-aside or Credit type should they be invited to proceed with the final submission.
- Development team: The development team may not change.