



2022 LIHTC Application Round FAQs:

Development Team Characteristics (updated 1/6/2023)

Below you will find Frequently Asked Questions (FAQs) for the Authority's 2022 9% LIHTC round that specifically pertain to Development Team Characteristics and how deals may score based on the composition of each deal team. This FAQ will be updated periodically with new questions on an ongoing basis. Review the below carefully to see if any of your questions may be answered. Please submit any additional questions to multifamilyfin@ihda.org.

For-Profit Entities *see page two for information regarding Not-For-Profit Entities.*

How does a For-Profit BIPOC-led **Sponsor** qualify for points under Scoring category D.ii Minority-& Women-Owned Business Enterprises?

- *Materials* – Applicants must submit a current Minority Business Enterprise Certification from an eligible entity. For this list of eligible entities, see page 44 of the 2022-23 QAP.
- *Points* – A For-Profit BIPOC-led **Sponsor** can earn up to 10 points when that entity has at least a 51% stake in all aspects of development control. Please see the QAP for alternative point scenarios.

In the case of **Sponsor** partnerships, how should they be structured, how should this be demonstrated to the Authority, and when will the Authority review this?

- The Authority will require in the case of Sponsor partnerships a Memorandum of Understanding, or similar document, between the partners in question. **Please see Exhibit A for the requisite information the Authority will use to review Sponsor partnerships.**
- Memorandums of Understanding must be submitted with the Full Application.

In the case of **Sponsor** partnerships, how should developer fee be divided or split?

A Co-Sponsor may not earn less than 50% in fee as it relates to their ownership stake. For example, if a Co-Sponsor represents 40% of the General Partnership, this Co-Sponsor must earn no less than 20% of the developer fee.

Can my WBE-certified For-Profit **Sponsor** score points under this category?

- No, WBE-certified For-Profit Sponsors cannot score points unless also certified as a MBE.
- A WBE-certified General Contractor (GC), Architect, or Property Manager may score up to two (2) points.

Does the Women's Business Development Center issue MBE certifications?

- Yes, this entity issues MBE certifications to eligible businesses. WBE certifications from this entity will not count as a MBE certification.

Will IHDA consider certifications from Missouri outside of the City of Louis certification?

- No, IHDA will not accept Missouri MBE certifications unless from the City of St. Louis.

Are MBE/WBE/DBE Certifications needed at the Preliminary Project Assessment (PPA) Stage?

- No, these are not required at PPA. If available, please submit for relevant participants.



Non-Profit Organizations

What materials are needed for a BIPOC-led/governed non-profit organization Sponsor to score points under Scoring category D.ii Minority-& Women-Owned Business Enterprises?

- Please complete and submit a [BIPOC Participation Certification](#) and [Organizational Chart](#), both available on our website.
 - The [BIPOC Participation Certification](#) is a form document that must be completed, executed, and submitted with the application.
 - The [Organizational Chart](#) is a template that may be used for reference. Please be sure to include the same pieces of information listed on the template.

How are BIPOC-led/governed non-profit organizations determined or defined?

- A **BIPOC-led** non-profit organization speaks to an organization's leadership. In this scenario, submissions must demonstrate that at least 35% of director-level employees are BIPOC.
- A **BIPOC-governed** non-profit organization speaks to an organization's Board composition. In this scenario, submissions must demonstrate one of the following:
 - Board Chair AND 30% of Board members are BIPOC -OR-
 - 40% of the overall Board is BIPOC.

For BIPOC-led/governed non-profit organizations to score points, does the Executive Director need to be BIPOC?

- No, the Executive Director themselves does not need to be BIPOC in order to score these points. 35% of director-level employees must be BIPOC; this may or may not include the Executive Director.

Is a Housing Authority eligible for points under BIPOC-led or governed non-profit organizations?

- If a Housing Authority meets the criteria set forth in the QAP, they may earn points under Scoring category D.ii Minority-& Women-Owned Business Enterprises. Please see above for additional guidance.

Are women at the director-level included in the BIPOC led non-profit definition or the governing Board?

- No, this category is specific to BIPOC employees and Board members. Women may qualify if they are also BIPOC.



Points and Scoring

How can my project score under D.iii) Non-Profit Organization Participation?

- To score under this category, your project must have a Qualified Non-Profit Organization that:
 - Holds a majority ownership interest in the general partner or managing member of the ownership entity;
 - Materially participates throughout the Compliance Period;
 - The Qualified Non-Profit Organization must have the right of first refusal at the end of the Compliance Period.

How many points may each deal score under Scoring category D.ii Minority-& Women-Owned Business Enterprises?

- Each deal may score up to 10 points total in this category. Deals may not score above 10 points in this category.

How many points can a participating MBE General Contractor earn?

- Development team members that are *not* Sponsors are eligible to earn up to two (2) points each.
- The participation of a combination of MBE/WBE/DBE non-Sponsor firms may earn up to four (4) points.

How can a BIPOC General Contractor (GC), Architect, or Property Manager earn points?

- GCs, Architects, and Property Managers with MBE, WBE, or DBE certifications may earn up to two (2) points for each role.

Can Joint Ventures amongst participating General Contractors (GCs) or Architects earn points? If so, up to how many points are eligible?

- Yes. The Authority expects that the MBE-, WBE-, or DBE-certified member represent no less than 25% of the partnership.
- Each Joint Venture that qualifies can earn up to two (2) points.



Exhibit A: Memorandums of Understanding for Sponsor Partnerships

The Authority will require that every Joint Venture partnership submit a copy of a Memorandum of Understanding (MOU) or similar document that details the role of each partner and at a minimum details the role of each partner during the following stages:

- Initial Application
- Post Award through initial closing
- Construction
- Post-Construction/Operations

The MOU should include, at a minimum, the following information:

- Describe how the community development/housing development experience of the members of the Joint Venture will benefit the project.
- Detail how the more experienced member of the Joint Venture will share knowledge with the less experienced member.
- Detail the role of the members in community meetings, financing meetings, design meetings and interactions with municipalities.
- Evidence the financial benefit to the members of the Joint Venture (developer fee split, who is providing guarantees, other financial arrangements).