CITIZEN PARTICIPATION PROCESS AND SUBSTANTIAL CHANGES
2017 HOUSING CREDIT QUALIFIED ALLOCATION PLAN AND 2017 HOME ACTION PLAN

In accordance with Section 42 of the Internal Revenue Code and the HOME Regulations, notices of the Public Hearing and the 30-day public commenting period for the 2017 HOME Action Plan and 2017 Housing Credit Qualified Allocation Plan (Plans) were published in the Birmingham, Huntsville, Mobile, and Montgomery newspapers and published on the Alabama Housing Finance Authority (AHFA) website. AHFA emailed more than 1,216 notices of the draft Plans' availability to interested parties, requesting that they submit written comments regarding the proposed Plans by November 10, 2016. During the designated commenting period, AHFA received written comments from 27 individuals and organizations that comprised of 141 total comments.

AHFA has prepared formal responses to the comments and has revised the Plans where appropriate. *Please see the attached Summary of Public Comments Received and Responses by AHFA,* that documents the Plan section, section reference, page number, commenter's name and company, and excerpted comments received along with AHFA responses inclusive of recommended revisions to the draft Plans. Again, please note that the comments and any recommended revisions are in an excerpted form. Once the final Plans have been revised and formally approved, we strongly encourage each reader to review the final Plans completely to view any changes made by AHFA in their full context. When the Plan revisions have been finalized and approved, the Plans will be available for review in their entirety at the following AHFA website link:

http://www.ahfa.com/multifamily/allocation_application_info.aspx.

AHFA wishes to thank the many individuals and organizations who provided comments during the commenting period. As the administrator of the Plans, AHFA's goal is to develop written criteria for the Plans that will provide equal access to all types of affordable housing developments, which include but are not limited to: various construction types (new construction, acquisition and rehabilitation, adaptive reuse, etc.); diverse target populations (family, elderly, disabled, handicapped, mobility or sensory impaired, homeless etc.); and geographical characteristics (rural, metropolitan, qualified census tracts, distressed areas, etc.). In attempting to reach varied needs and population types across the state, our greatest challenge is to develop a fair and balanced allocating methodology with the intent to ensure that all applications, regardless of the targeted population and construction type, will have a fair chance of competing during each cycle for funding.

To that end, please keep in mind that certain perceived scoring impediments for a particular type of organization can be offset by other incentives in the Plans, which may not be necessarily applicable to other types of organizations. In addition, please consider that the Plans are not intended to serve as a replacement for other discontinued housing programs, which may have had different standards, costs or otherwise. This is especially true as it relates to construction design standards. Any applicant that proposes to include design standards that significantly exceed AHFA standards or to include other design standards mandated by other programs, must obtain additional funding sources to offset any additional costs, assuming the project's costs exceed AHFA's definition of reasonable costs. As an alternative and when feasible, applicants should consider submitting an application for tax-exempt multifamily bonds, which are subject to availability, provided on a first-come, first served basis, and subject to the criteria and requirements of the applicable Plan.

Attached:

1. Summary of Public Comments Received and Responses by AHFA
2. Summary of Substantial Changes Based on Public Comments Received by AHFA

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
Housing Credit QAP					
	I. D. 1.), Application Fees	9	Carlen Williams, Arlington Properties, Inc.	Please clarify whether the application fee determination is based on one of the owners or all of the owners in a single application. In other words, if one of two project owners has 4 PIS projects (and the other owner has one PIS project) then the application fee due is…	No change will be made.
	II. D. 13.), Negative Actions	17	Tom Champion, Gulf Coast Housing Partnership, Inc.	D-Negative Actions-#13: Receipt of a reservation letter for Housing Credits or Home should not be a "negative action". The "negative action" should be if you received a reservation and failed to meet required carryover or placed in service deadlines. If this language is embedded due to compliance concerns, Applicant's who receive points under Addendum A-2)-Applicant Characteristics-ii&iii should be exempt as they are demonstrating multi-family ownership and low income housing management experience. It should not be assumed an experienced developer/owner/manager will not be able to comply with AHFA requirements, but should be assumed they will until proven otherwise.	The Negative Actions will be revised as follows: Should any of the following actions occur after the initial or final application has been submitted and prior to approval by AHFA, the application will terminate unless otherwise provided below: 13. An applicant having a single **(first time AHFA funded)** project, which received a reservation letter for Housing Credits and/or HOME Commitment/Written Agreement in a **current or** prior year which is neither complete (construction/rehabilitation is 100% complete per AHFA Quarterly Status Report as of the date of application) nor has reach 90% occupancy at the time of application. Projects with HUD Replacement Housing Factor funds and Capital Fund Program funds are exempt from this requirement.
	II. D. 13.), Negative Actions	17	David Morrow, Morrow Realty Company, Inc.	D.13.) We request that AHFA change this paragraph back to the way it was in 2016. It is not feasible for a project awarded in late June 2016 to be 100% completed by March 2017.	
	II. E. 1.), Application Evaluation	18	Carlen Williams, Arlington Properties, Inc.	I can appreciate that AHFA wishes to reserve the right to award less credits than requested, however, developers are already minimizing the credit request to remain competitive	No changes will be made.

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				during the round. It is irresponsible planning for developers to present to AHFA a best estimate for the credits needed if the budget assumptions will be second guessed and/or credits reduced at award.	
	II. G. 1.) Housing Credit Allocations, Four –Percent Credit	21	Tom Champion, Gulf Coast Housing Partnership, Inc.	Qualified Census Tracts (QCTs): Qualified Census Tracts are census tracts in which 50% or greater of the population have incomes below 60% AMI. However, in larger geographic areas such as MSAs where more than 20% of the population qualifies, QCTs are limited to 20% of a geographic area based on a formula. This results in census tracts within larger MSAs that otherwise meet the criteria as a QCT not being designated as a QCT as that designation would put the MSA over the 20% QCT cap. In order to promote development in these lower income areas that would be designated as a QCT if not for the 20% limitation, the Agency can use their authority under Section42(d)(5)(B)(v) as a result of the Housing and Economic Recovery Act of 2008 to "designate" these areas as eligible for the basis boost. In other words, make properties in census tracts in which 50% or greater of the population have incomes below 60% AMI eligible for a discresionary basis boost.	Under Section 42(d)(5)(B)(v), AHFA may designate a building(s) that shall receive an increase in eligible basis in order for the building(s) to be financially feasible as part of a qualified low-income project and shall be treated as located in a difficult development area. AHFA will consider designating a building(s) in an application a: being located in a difficult development are: and the designated building(s) may receive an increase in eligible basis if it meets all of the following criteria: (i) The applicant is applying for building(s) financed with AHFA HOME funds; (ii) AHFA is providing the first and second mortgages; and (iii) AHFA determines that the project requires an additional increase in eligible basis to be financially feasible.
	II. G. 3. Housing Credit Allocations,	22	David Morrow, Morrow Realty Company, Inc.	In order to allocate more affordable housing developments geographically spread throughout the state, we recommend that AHFA limit the amount of tax credits	The amount of Housing Credits received by any increase in eligible basis will be considered in determining the project Cap.

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	Owner & Project Cap.			awarded to a single project to a maximum amount, such as $850,000 or a higher amount below the current $1.2 million, regardless of the basis boost.	
	II. H. Notification of Approval	23	Ann Marie Rowlett, Rowlett & Company, LLC	I would request that the AHFA consider adding additional days after award announcements for obtaining the Certificate of Existence and IRS Form #SS-4. It is difficult to meet this short timeline when dealing with the SOS. Additional fees must be paid to expedite processing with no guarantee of receiving documents in the timeframe required. An additional 5-10 days would certainly help developers to ensure that they are able to meet the deadline.	No changes will be made.
HOME Action Plan					
	III. C. 2.) Application Criteria	7	Russell L. Bennett Low Income Housing Coalition of Alabama (LIHCA)	LIHCA recommends that AHFA decouple Alabama HOME funds from the Low Income Housing Tax Credit (LIHTC) Program. Reason: HOME funds are instrumental around the country for developing small projects for vulnerable households, victims of domestic violence, and youth aging out of foster care. There are a number of nonprofit organizations that would like to be able to access HOME funds and develop supportive housing that might have fewer than 12 units. These nonprofits are working to serve the most vulnerable populations and are willing to provide supportive services to create the supportive housing needed to sustain these individuals and families in safe and affordable homes. Additionally, studies have shown that the cost of housing plus services	No changes will be made.

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				is much less expensive than the costs of expensive alternatives such as shelter care, hospitals, jails, etc. Smaller tax credit deals are infeasible and, generally, tax credit investors are not interested in small properties. If AHFA makes available a portion of the HOME funds separate from the LIHTC program, these organizations could provide supportive housing for these vulnerable populations, while also saving the state money on more expensive alternatives associated with homelessness and those at-risk of homelessness.	
	III. F. Use of HOME Funds	10	Russell L. Bennett, Low Income Housing Coalition of Alabama (LIHCA)	LIHCA recommends that AHFA utilize HOME funds for activities other than residential rental housing. Reason: The federal HOME program provides for eligible activities of homeowner rehabilitation, homebuyer programs, and rental subsidies as eligible activities. Rehabilitation activities are often used by local governments and nonprofits to stabilize communities and address health and safety issues in dilapidated homes. Rehabilitation is a key principle of smart growth strategies and better utilizes existing infrastructure and services. Affordable homeownership is another activity typically supported with HOME funds. It not only helps families obtain homeownership, it also supports the local tax base and stabilizes marginal communities. By expanding the state's HOME eligible activities, funds could be used to stabilize and improve blighted communities through rehabilitation, address health and safety	

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				issues of lower income homeowners, and create more decent and safe housing opportunities for individuals with low incomes.	
	IV. C. 9.), Application Threshold Requirements	16	Chris Retan, Aletheia House	We strongly support the section of the HOME QAP that allows CHDOs to provide housing in Participating Jurisdictions that have their own HOME funds. CHDOs, by federal regulation, must serve a defined service area. They cannot, unlike private developers, choose the counties they will serve based on where they can earn the most points. This means that CHDOs that operate in urban communities were previously ineligible to apply for state HOME funds to develop much needed projects in these communities. Alabama has a very limited number of CHDOs that have the full-time staff, development capacity and financial strength to develop affordable housing using HOME funds and tax credits. Some of these well-qualified CHDOs are limited, by their mission and by-laws, to serving Participating Jurisdictions. By allowing these well-qualified CHDOs to apply for state HOME funds, and develop housing in Participating Jurisdictions, AHFA increases the likelihood it will receive strong CHDO applications. Furthermore, this decision will not negatively impact private developers since the state's CHDO setaside amount, 15% of the total HOME funds, is not being increased.	No changes will be made.
	IV. C. 9.), Application	16	Gary Hall,	C. Application Threshold Requirements, 9.) Applications submitted in other Participating	

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	Threshold Requiremen		Alabama Affordable Housing Association Allan Rappuhn, Gateway Development Corporation Thomas N. Ward,CRN Development Bradley Carroll, Vantage Development Terry Mount, DSI	Jurisdictions. CHDOs should not be allowed to apply for AHFA HOME funds in other PJ's unless other developers are, as well. As stated above with regard to CHDO's scoring a point, CHDO's already enjoy an advantage over all other types of applicants (including lower applicaton fees). They should NOT also enjoy this advantage.	
	IV. C. 9.), Application Threshold Requirement	16	David Morrow, Morrow Realty Company, Inc.	9.) AHFA should consider state HOME loan applications from CHDOs (as well as non-profits and for-profit Applicants) in Participating Jurisdictions ONLY if the applicant already has a local HOME loan commitment from the Participating Jurisdiction. Otherswise, the resources of the Participating Jurisdiction would not be utilized in the development to be a benefit to AHFA using less of their limited HOME or tax credit resources. This would allow for more combined funding sources, thus enhancing the development because many jurisdictions have had their HOME fund allotments cut over the years. This will assist local Participating Jurisdictions to spend their HOME funds on	

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				larger projects that are needed rather than smaller rehab projects, a few habitat houses, or supplementing other operating agency budgets so that housing is actual built. If there is a concern about using all the CHDO HOME or HOME funds or getting CHDO applications, AHFA can hold a supplemental round due 60-90 days after the announcement of the awards to spend these funds like Housing Trust Funds or in combination with them or 9% credits.	
A – Point Scoring System					
	Narrative	1	Dian Torres, Pennrose Properties	Tax Credit Limits by County AHFA has established a housing priority in order to achieve a balanced distribution of Housing Credits and HOME funds throughout the state in terms of geographical regions, counties, urban, and rural areas considering the highest need for affordable housing. AHFA has achieved this priority by allocating Housing Credits and HOME funds, generally to only one project per county. However, the major metropolitan areas of Alabama have a far greater need for affordable housing than the rest of the State. The affordable housing stock in these large cities is very old and unsafe, yet remains in high demand with high waiting lists. To address the significant affordable housing needs in high-population cities/counties, it is	No changes will be made.

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				recommended that AHFA consider the following language: AHFA shall allocate Housing Credits for up to two projects per county for the following high-population counties; Jefferson, Montgomery and Mobile Counties.	
	Awards Selection – Tiebreaker 2.	2	Tammy Stansbury/Tom Simons, The Woda Group, Inc.	Tie Breaker number two should be removed. Just because an applicant is able to assemble an application with few to no missing and/or incomplete documents does make the proposed housing "better" for the resident. What does this tie breaker add to the development and to the resident? How does it make the apartment better or their enjoyment of the apartment better to where it should be given such an important position in the proposed tie breaker ranking?	The tie breakers will be revised as follows: 1. In the event there is a tie in scoring among two or more applications then a recommendation will be made for the application that has the least amount of aggregate participation by any one owner. Aggregate participation is defined as the total of all Housing Credit and HOME/Housing Credit applications recommended for awards in the current application cycle. 2. If a tie still remains, priority will be given the application that has applied for AHFA HOME funds. 3. If a tie still remains, priority will be given to the application located in a county with the least amount of AHFA currently approved units in the last five (5) years. 4. If a tie still remains, priority will be given to the application that had the fewest amoun of missing and/or incomplete documents. 5. If a tie still remains, priority will be given to the application based on the following
	Awards Selection – Tiebreaker 3.	2	Gary Hall, Alabama Affordable Housing Association -------------------- Allan Rappuhn, Gateway Development Thomas N. Ward, CRN Development Bradley Carroll, Vantage Development Terry Mount, DSI	Disagree with the placement "least amount of housing credits per unit" as the third tiebreaker. There are many other tiebeakers so this item should be removed from the tiebreaker list because, if it becomes determnative, it leads to: *less attractive developments *lesser variety of building types (single family homes, townhouses, etc. cost more) *restrictions on some areas of the state (constrcution is more expensive in Mobile and Baldwin Counties near the coast) *urban areas such as Jefferson & Madison Counties are more expensive and, thus, would be at a disadvantge. *other specific issues which are discussed in the next section	

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	Awards Selection – Tiebreaker #3	2	Dian Torres, Pennrose Properties	Least Amount of Housing Credits Tie Breaker The QAP identifies a tie breaker based on the least Tax Credits per unit. Instead of developments being evaluated based on the quality of the projects, the benefits to their community, or how they might support the lowest income families, the awards are based on how inexpensively the project could be developed. As a result, the tie-breaker creates an incentive to build the cheapest product possible instead of an incentive for building higher quality and energy efficient products. Additional sources of funding are typically necessary to supplement LIHTC equity and permanent financing to allow for providing affordable housing to very low-income families. We recommend that AHFA either use as a tie breaker or create scoring criteria to encourage leveraging additional funds that: 1.) help spread THDA LIHTCs further, 2.) provide stronger and more effective developments, 3.) allow for servicing lower income residents, and 4.) demonstrate local support In lieu of cost per unit it is recommended that the current tie breaker be removed and AHFA might consider the following alternatives:	owner performance criteria in the order as sequenced: a. The owner who has not had an additional on-site inspection performed in the prior calendar year and does not have an additional on-site inspection scheduled on any existing AHFA-funded project. b. The owner who has not requested a third extension (as defined in the 2016 Housing Credit QAP) on any 2016 AHFA-funded project. c. The owner who has not returned their full allocation of AHFA HOME funds or Housing Credits in a prior calendar year through the date of allocation of 2016 funds 6. If a tie still remains, priority will be given to the project which is located in a Qualified Census Tract and is supported by its respective governmental entities approved revitalization plan. The revitalization plan must have been approved with the last five (5) years. Copies of the relevant excerpted pages, with specific references highlighted (no more than 10 pages) must be submitted with the application. 7. If a tie still remains, priority will be given to the owner who requested the least amount of Housing Credits per unit. 8. If a tie still remains, priority will be given to the application for a project that is intended for eventual tenant ownership. The

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				*projects that provide additional leverage *have community support *have other development activities that affect the neighborhood *service the lowest income families through tiering	project must consist of single-family homes, duplexes, townhomes or a combination to be eligible. The applicant must complete the AHFA-provided Homeownership Conversion Proposal and provide a plat plan and counseling agreement in forms and content acceptable to AHFA. 9. If a tie still remains, priority will be given to the applicant whose application received priority status in accordance with the drawing for applications that are submitted by 11:00 a.m. (Central) on the first day on which the final application may be submitted. The drawing will be held as soon as practical in AHFA's boardroom that same day to determine the order of awards in the event of a tie. An impartial person will be selected to draw. The drawing will be open to the public and the results will be posted on AHFA's website.
	Awards Selection – Tiebreaker #3	2	David Morrow, Morrow Realty Company, Inc.	Tiebreaker 3. The least amount of requested credits per unit should have no bearing on which project gets awarded. Developer caps are already in place. If AFHA is concerned about the amount of credits per project, it can institute caps on the types of projects (family, elderly) or size of projects (smaller projects have higher costs per unit and need more credits) A sliding scale on the total credit cap of the project based upon the size of the project with a maximum of say $850,000 for the largest type project. (i) 24-31 units $650,000 (rehabilitation developments only) (ii) 32 to 40 units $700,000 (iii) 41 to 48 units $775,000 (iv) 49 units and above $850,000 The current credit per unit tiebreaker leads to: *less attractive developments with generic architectural designs *lesser variety of building types such as single family homes, townhouses, etc.) *less incentive to develop in some areas of the state that have somewhat higher constuction costs due to more stringent local codes to address weather, safety, materials, impact costs, plan detail and landscaping requirements	

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	Awards Selection – Tiebreaker #3	2	Carlen Williams, Arlington Properties, Inc.	Regarding tie-breaker 3, this priority incentivizes developers to maximize the rents so that the project may carry more debt thereby lowering the credit request. This seems to be in direct conflict with the goal of maximizing affordability for tenants. I would like to request that this tie-breaker be removed/replaced in its entirety.	
	Awards Selection – Tiebreaker #3	2	Tammy Stansbury/Tom Simons, The Woda Group, Inc.	Tie Breaker number three should be removed from the ranking list. A race to the bottom does not add to the quality of housing. While this appears to be good public policy the unintended result is the fact that some developers will lower the quality of the final product. This tie breaker also leads to an increase in the demand for HOME Funds.	
	Awards Selection – Tiebreaker #3	2	Quisha Riche, Huntsville Housing Authority	In the Tie Breaker Section, giving deference to a development because it will utilize the least tax credits perunit will not have a positive effect on the housing stock created as result of a tax credit award. This will reward a project for being less expensive and will create an incentive for developers to build sub-standard housing. The other tie breakers that will remain will be sufficient for the purpose of breaking a tie in the event such occurs.	
	A. 1.) (i.)(a.), Project Characteristics, Type of Construction	3	Daniel Tait, Energy Alabama	We recommend section 1.i.a require ENERGY STAR rated washing machines. Futhermore we recommend the use of electricity over natural gas or propane because electricity can become cleaner over time as the grid uses cleaner fuel sources or renewables are introduced on-site.	Four (4) points will be given for providing washers and dryers in each unit. The washers and dryers must be 3-7 cu. ft. capacity and the washers must be Energy Star rated.

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	A. 1.) (i.)(a.), Project Characteristics, Type of Construction	3	Amelia Johnson, TBG Residential	The QAP states that to qualify for 4 amenity points by providing a Clubhouse/CommunityBuilding/Community Room, a community laundry must be included if not providing a washer/dryer in each unit. The community laundry must contain 1 washer and 1 dryer for every 15 units proposed in the project. We request that AHFA change this requirement to 1 each for every 25 units. Third party leasing operators claim that due to the number of machines required, they cannot economically justify coin operated equipment within properties that also have in-unit washer and dryer hook-ups. Third party suppliers will rent fee-based equipment, but the monthly rental rates are expensive considering the number of machines required, and don't make much financial sense.	The requirement to provide 1 washer and 1 dyer for every 15 units in the community laundry will be changed to 1 washer and 1 dryer for every 25 units.
	A. 1.) (i.)(a.), Project Characteristics, Type of Construction	3	Rory L. McKean, McKean & Associates, Architects, LLC	A.Clubhouse/Community Building Request change in washer/dryer ratio from 1 per 15 units to 1 per 25 units since units are designed with washer and dryer hookups, demand for access to common laundry equipment is not as high and appears to be adequately satisfied with a higher ratio in developments in other states. (As a compromise, change to 1 per 20.)	
	A. 1.) (i.)(a.), Project Characteristics, Type of Construction	3	Daniel Tait, Energy Alabama	We recommend section 1.i.a require all computers and related equipment, such as printers, scanners etc., in a computer center be ENERGY STAR rated. ENERGY STAR is widely recognized to be the most life cycle cost effective option on the market.	No changes will be made.

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	A. 1.) (i.)(a.) , Project Characteristics, Type of Construction	3	Daniel Tait, Energy Alabama	We recommend section 1.i.a require any property installing a Splash Center filter and reuse the water in order to reduce water consumption and reduce the financial impact of the Splash Center on the property.	No changes will be made.
	A. 1.) (i.)(a.) , Project Characteristics, Type of Construction	3	John Sullivan, Enterprise Community Partners	Enterprise Community Partners recommends awarding bonus points for LIHTC developments that meet the standards of third-party green building certification programs such as Leadership in Energy and Environmental Design (LEED), GreenPoint Rated, or Enterprise Green Communities. The Enterprise Green Communities criteria provides a national framework for affordable housing developers to green their properties. This green building framework is the first in the nation to address the unique needs of the affordable housing sector. We developed our Enterprise Green Communities Criteria to bring the improved health, economic and environmental benefits of sustainable construction practices to low-income families. The Criteria is suitable for all development types, including New Construction, Substantial Rehab, and Moderate Rehab in both multifamily and single-family projects. A report published in January 2016 by Southface and the Virginia Center for Housing Research, "The Impact of Green Affordable Housing," highlights the benefits of green contruction practices specifically in	No changes will be made.

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				the Southeast. The following is a summary of the report's findings from their website: "The research team conducted a year-long research project to collect and analyze data on the cost and efficiency impact of green building certification programs on affordable housing development. A total of 18 LIHTC developments in Alabama, Georgia, North Carolina and South Carolina participated in the study. Contractors, developers, housing finance agencies, property managers and residents provided cost documentation, operations and maintenance reports, one year of utility data and surveys to inform this study. Overall, the research findings suggest that the green developments are performing better than the non-green developments in terms of construction and development costs, energy efficiency and utility costs, and satisfaction. Key findings from the report are: - Families residing in green developments save nearly $8/ month and $96/year, and seniors save more than $10 per month and $122 per year more on energy costs when compared to non-green developments. - Green developments in this study save nearly $5,000 per year on owner-paid utility costs when compared to non-green developments.	

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				- Green developments spend 12% less on energy (common areas) per square foot than non-green developments. Residents of green developments use 14% less energy per square foot. - Green developments are nearly 5% less expensive on total construction costs per square foot and more than 13% less expensive on soft construction costs than the non-green developments. More specifically, analysis indicates that green certified developments in GA, NC and SC cost less to design and build than non-green alternatives in AL and SC. - Non-green developments are only 1.6% less expensive in terms of hard construction costs when compared to green developments. - Total operations and maintenance costs are 15% less expensive for non-green developments when compared to green developments. - Developers, property managers and Housing Finance Agencies agree that green developments are more energy efficient. - The majority of developers indicate that green buildings provide benefits in terms of quality of end product and achieving their firm's objectives and mission. - Property managers and residents require a greater level of education on how to properly operate and maintain green developments in order to fully realize savings. In summary, when affordable housing is green-certified, developers are constructing	

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				higher quality housing at a lower cost while low-income residents are saving more energy and money. Housing finance agencies that administer the state affordable housing development programs are also recognizing that properties with a green building certification are providing a higher quality and more efficient product, which saves money for residents and provides the agencies with additional quality assurance." With ample evidence of the cost-effectiveness of such programs, we suggest the QAP allow bonus points for LIHTC developments that meet the standards of third-party green building certification programs.	
	A. 1.) (i.)(a.) , Project Characteristics, Type of Construction	3	Rory. L. McKean, McKean & Associates, Architects, LLC	A.(i)(a.) If a Developer chooses to have a swimming pool, allow pool to be a 4 point amenity.	No changes will be made.
	A. 1.)(i.)(c.)(g.), Project Characteristics, Type of Construction	5	Daniel Tait, Energy Alabama	We recommend section 1.i.c.g only provide points to properties replacing HVAC equipment with ENERGY STAR rated equipment. ENERGY STAR is widely recognized to be the most life cycle cost effective option on the market.	The Energy/Water Conservation and Healthy Living Environment (Maximum 8 Points) section will be revised as follows: 3 points will be given for each of the following: • HVAC of 15 SEER (HSPF 9.0) or above.
	A. 1.)(ii.)(a.), Energy/Water Conservation and Healthy Living Environment	5	Daniel Tait, Energy Alabama	We recommend section 1.ii.a require 16 SEER and 9.0 HSPF in order to achieve 4 points.	

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<tr><td></td><td>A. 1.)(ii.)(b.), Energy/Water Conservation and Healthy Living Environment</td><td>5</td><td>Daniel Tait, Energy Alabama</td><td>We recommend section 1.ii.b only provide 1 point for achievement.</td><td rowspan="5">Energy Star rated “cool roof” shingles or metal roof with a fifty (50) year warranty.
2 points will be given for each of the following:
Kitchen range hood ventilation to b vented to the exterior and equipped with a damper.
EPA’s Partnership Program “WaterSense” labeled closet, faucet (bathroom and kitchen) and showerheads.
1 point will be given for each of the following:
Low Volatile Organic Compounds (VOC) wall finishes (maximum VOC levels of 50 grams/liter).
Low VOC flooring finishes (maximum VOC levels of 100 grams/liter).
Energy Star rated LED lighting in the kitchen.</td></tr>
<tr><td></td><td>A. 1.)(ii.)(c.), Energy/Water Conservation and Healthy Living Environment</td><td>5</td><td>Daniel Tait, Energy Alabama</td><td>We recommend section 1.ii.c only provide 1 point for achievement.</td></tr>
<tr><td></td><td>A. 1.)(ii.)(d.), Energy/Water Conservation and Healthy Living Environment</td><td>5</td><td>Daniel Tait, Energy Alabama</td><td>We recommend section 1.ii.d only provide 3 points for achievement.</td></tr>
<tr><td></td><td>A. 1.)(ii.), Energy/Water Conservation and Healthy Living Environment, General comment</td><td>5</td><td>Daniel Tait, Energy Alabama</td><td>We have recommended the changes above to sections 1.ii based on the effort and cost required in relation to the energy savings achieved for that measure.</td></tr>
<tr><td></td><td>A. 1.)(ii.)(c.), Energy/Water Conservation and Healthy Living Environment</td><td>5</td><td>Daniel Tait, Energy Alabama</td><td>We recommend the addition of extra points for the following measures:
1. 2 points for the use of Alabama-based products for at least 25% of the materials required.
2. 1 point for the use of low maintenance and low water native landscaping.
3. 3 points for the use of passive solar techniques such as the use of deciduous vegetation and awnings.
4. 2 points for the use of variable speed HVAC compressors and air handlers</td></tr>
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				5. 3 points for an air tightness rating of 3 air changes per hour or lower with the use of mechanical ventilation strategies. The above recommendations have been made based on the level of energy and water savings that can be achieved in relation to the effort and cost required.	
	A. 1.)(ii.)(c.), Energy/Water Conservation and Healthy Living Environment	5	Laura Abernathy, National Housing Trust	Require WaterSense-labeled plumbing products. Fannie Mae's recent analysis of utility usage by multifamily housing found that the least efficient properties use over six times as much water per square foot as the most efficient properties (twice the spread of energy consumption across the same data set). Thus the opportunities for water efficiency improvements, and associated savings in water and wastewater charges, are substantial in Alabama and the payback is more immediate and well worth the investment. Whether utilities are paid directly by residents, or as is more common, paid by the building owner, Improving water efficiency is a key strategy for preserving housing affordability. Plumbing products that meet the performance criteria for water efficiency set by the US EPA WaterSense program achieve water savings while being no more expensive to purchase and install than less efficient products. Where there is no cost premium, there is no trade-off between cost and efficiency performance and no need to	

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				encourage installation through points. Instead, RIH should require the installation of WaterSense-labeled showerheads, lavatory faucets, and toilets to ensure that unnecessary water consumption and its associated utility costs can be avoided.	
	A. 1.)(ii.)(d.), Energy/Water Conservation and Healthy Living Environment	5	Laura Abernathy, National Housing Trust	Require properties to achieve a minimum sustainable building certification. Thirteen states housing agencies require, and 19 state housing agencies award points to projects that meet the criteria of third-party building standards, such as LEED, National Green Building Standard, or Enterprise Green Communities. Such certification offers a straightforward method to ensure that newly constructed or substantially rehabilitated affordable housing is built to high standards of energy and water efficiency, to reduce operating costs and maintain affordability, to improve the health of its residents, and to address issues of resiliency and climate adaptation – of special interest to a coastal state like Alabama. Doing so removes from AHFA the burden of deciding which sustainable features should be included and eliminates the need for standalone points that address issues such as location efficiency (proximity to transit and other services), water use, smoke-free housing policies, and others.	
	A. 1.)(ii.)(d.), Energy/Water Conservation and Healthy Living Environment	5	Russell L. Bennett, Low Income Housing Coalition of Alabama (LIHCA)	LIHCA applauds and appreciates the energy and water conservation incentives in the QAP. We recommend that AHFA further incentivize developers to incorporate additional design elements that support green	

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				practices and/or healthy living such as Enterprise's Green Building Criteria.	
	A. 1.)(ii.)(d.), Energy/Water Conservation and Healthy Living Environment	5	Laura Abernathy, National Housing Trust	Award points for properties pursuing higher levels of achievement in green building using a third-party standard. Some states that require a minimum level of certification also award points to projects that choose to achieve higher levels of performance and certification. Most states include multiple third-party standards in their point criteria to provide owners with flexibility. In addition, many states account for the differences between new construction and rehabilitation projects. A few states have instructive examples: • The Pennsylvania Housing Finance Agency requires all new construction and rehabilitation developments meet the mandatory measures outlined in the 2015 Enterprise Green Communities Criteria. In addition, points are awarded for developments achieving optional 2015 Enterprise Green Communities Criteria Points. New construction projects must achieve 25 optional criteria points to earn points and substantial or moderate rehabilitation projects must achieve 20 optional criteria points (including Preservation Projects). Pennsylvania also awards 10 points for projects that meet Passive House Requirements. • The Illinois Housing Development Authority requires properties to comply with specific criteria from Enterprise	

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				Green Communities outlined in its 2016 IHDA Standards for Architectural Planning and Construction. In addition, 2 points are awarded for projects that commit to obtaining a sustainable building certification, LEED, Enterprise Green Communities 2015 certification, or ICC 700 National Green Building Standard certification. Three points are also awarded to new construction properties that commit to certification Passive House Certification, certification through Living Building Challenge, or Alternative certification for high performance building achieving 'Net Zero Capable' status as approved by IHDA.	
	A. 1.)(iii)., Development Costs	5	Gary Hall, Alabama Affordable Housing Association Allan Rappuhn, Gateway Development Corporation Thomas N. Ward, CRN Development Bradley Carroll, Vantage Development Terry Mount, DSI	(iii) Development Costs - this scoring item should be removed. First of all, this item cannot be self-scored and will cause the process of scoring applications to be less transparent, which does not seem like it would be an advantageous change for AHFA. Secondly, vertically integrated companies will have more opportunities to cut costs, causing an inequity for companies that do not have a related construction company. Thirdly, this item forces AHFA to contemplate adding fail safes that ensure that applicants follow the Design Quality Standards.	The Development Costs scoring item will be removed from the final Plans.

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				It should be noted that the DQS will likely not be the issue, as developers and builders generally understand the requirements. What will suffer is the attractiveness of the developments. It is important that AHFA not underestimate the effect QAP requirements/scoring have on developers. This particular item will certainly not result in better or more attractive developments. What it will result in is the cheapest, plainest possible construction; the lightest possible rehabs; and budgets that are artificially shrunk for the sake of scoring to the point where there are no funds to handle even the smallest unexpected setback. If AHFA is truly interested in controlling costs while still delivering quality product, we suggest you follow the NCSHA Recommended Practice in Housing Credit Allocation and Underwriting from the 2016 Credit Connect: •"Agencies should develop a per unit cost limit standard based on total development costs, and PUBLISH the standard and the justification for it in the Agency's QAP or other Housing Credit allocation guidelines. • In developing a per unit cost standard, Agencies should examine 1) certified cost	

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				data on existing Housing Credit developments; and 2) building construction and land costs in the state, including variations in such costs within the state." (See Attached) In this case, any argument that publishing cost cap data will cause developers to simply "hit the number" no matter what rings hollow. Given that the data is derived from actual costs, "hitting the number" should not be a problem. It should be seen as continuing Alabama's tradition of well built, attractive, financially sustainable affordable housing. If AHFA wishes to guard against excessively expensive developments can either: (a) make the cost caps a threshold item or (b) penalize by -10 points any application that goes over the caps. If ensuring that projects are adequately, but not overly, funded is not the goal of both this scoring item and the above mentioned tiebreaker #3, we request that AHFA inform us of the goal so that we can present AHFA with potential ideas on how to meet the goal.	
	A. 1.)(iii)., Development Costs	5	Dian Torres, Pennrose Properties	Development Costs AHFA will award points based on the following percentages (rounded down) below the median TDC:	

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				4 Points – for at least 15% 2 Points – for at least 10% As stated in the first comment above, the QAP is providing additional points which promote the cheapest product possible rather than build higher quality, energy efficient products that will be more cost efficient and more durable for a longer period of time. While the cheapest product may seem like a good solution at the present time, it will be a huge detriment in the long term as the housing stock deteriorates and additional tax credits are needed to rehabilitate the development at a much quicker rate than if the product was developed with higher quality, higher standards from the start. As an alternative, AHFA might consider a cap on the Tax Credits per unit to be awarded. As another alternative, we recommend that AHFA provide scoring that encouranges energy efficiency and green programs to provide for better housing and more affordable living for the lowest income families of Alabama, and for many years to come. These programs will also allow for additional funding from other sources to make the projects more feasible. Many other states have incentivized energy efficient developments by providing additional scoring	

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				for energy and green and LEED certified developments. AHFA might also consider the benefits of providing additional points for higher level energy, green programs or features, Enterprise Green or LEED certified projects.	
	A. 1.)(iii)., Development Costs	5	Daniel Tait, Energy Alabama	Section 1.iii as written is unclear if the Alabama Housing Finance Authority and/or a third party will inspect each property or if they simply reserve the right to do so. We recommend clarifying this section to state each property will be inspected.	

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	A. 1.)(iii)., Development Costs	5	David Morrow, Morrow Realty Company, Inc.	(iii.) Development Costs. Awarding points to developers who cut their costs below other developers has shown to inhibit developers from producing and maintaining quality developments. Criticism to other states agencies which have tried this method have been communicated by lenders, investors, contractors, owners, developers, managers, lawyers, accountants, architects, resident advocacy groups, and most all persons who are strategic partners in producing affordable housing. Unintended consequences experienced include having all developments being the same creating a descriminatory result against larger size and larger square feet family developments, developments are clustered into same geographic areas, construction methods are hampered trying to meet commitments, the lack of transparency questions the fairness of the process, short-term cheaper materials cause long-term maintenance problems, rehab properties cut back on the scope of work which affects long term operations, etc. Additonally, new contractors are promising to deliver lower construction costs at application but cannot deliver the final numbers creating uncertainty with the Development Team and skewing actual construction costs lower throughout the state. The current method of comparing development costs will incentivize developers to do very small developments creating insufficient operating budgets for	

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				management to effectively manage over the long term. In order to control costs while still delivering a quality product, we recommend that AHFA implement a per unit cap on development costs using the most current HUD 221(d) 3 limits caps available from HUD and that AHFA award negative points to all applicants who go over those caps. Implementing the HUD limit caps takes into account the geographic areas of the development as well as the type of development built, is recognized by HUD, it is transparent and will follow the NCHSA good industry practices. Some states are now concerned about the costs being artificially low after seeing the unintended consequences that they will penalize developers for being are a large percentage LOWER than the average costs. But even this is problematic as no two sites are the same. If using this criteria, AHFA should consider using Marshal Swift cost estmates to verify the reasonableness of the costs.	

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	A. 1.)(iii)., Development Costs	5	Lori Harris, Norstar Development USA, L.P. Evette Hester, Montgomery Housing Authority	Section (1)(iii.) - Development Costs provides up to 4 points to projects that demonstrate total development costs less than the median from current year applications. Issue: There is a scarcity of resources available to support the development of affordable houisng. This scoring criteria seems intended to reward developers that can build affordable housing at a lower cost. The unintended consequence of this scoring is projects that are located in urban areas and projects receiving federal subsidies are penalized. Demolition, environmental remediation, and infrastructure costs are often are more expensive in urban areas than rural or suburban locations. Projects that receive federal subsidies are often required to use Davis Bacon wage rates which may increase labor costs and raise the overall cost of construction. There is an additional concern that this scoring criteria may provide incentive to developers to reduce the quality of certain components of construction, which would impact residents over time and increase maintenance costs. Recommendation: In order to reduce the unintended consequence impacting urban areas, the recommendation is to reduce the total available points in this section from 4 points to 2 points. Under this recommendation, a maximum of 2 points would be availble for projects with TDC of at least 15% below median, and a maximum of	

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				1 point would be available for projects that are at least 10% below. This change would reduce the impact of this scoring criteria on projects located in cities or urban areas.	
	A. 1.)(iii)., Development Costs	5	Ann Marie Rowlett, Rowlett & Company, LLC	Development Costs: this point section should be removed. There is currently incentive to keep costs low in the tie-breaker section of the application. In addition, there is no way to self-score this section as the points are awarded based on the average of the projects submitted. Finally, I believe that this will lead to a "race to the bottom" and the quality and housing variety will be negatively impacted by this remaining a point item. It seems that it might be better to publish limits based on construction type and penalize for going over the published limits.	

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	A. 1.)(iii)., Development Costs	5	Tammy Stansbury/Tom Simons, The Woda Group, Inc.	(iii) Development Costs – this scoring item should be removed. This scoring component is suggesting a race to the bottom and it is important for AHFA to understand that less attractive developments, will be developed, with the cheapest construction costs, utilizing the cheapest product. This will result in a reduction in the property's expectant life for a shorter period of time. Rehabs will be nothing more than powder and paint, therefore, not ensuring its life expectancy another twenty years or so.	
	A. 1.)(iii)., Development Costs	5	Quisha Riche, Huntsville Housing Authority	Development Costs--The QAP as it is drafted proposes to reward development projects for being blow the median TDC. As previously indicated, this will encourage the building of substandard housing products in order to compete for the award of credits. This section along with the one in my previous comment will negatively impact the life span of the housing as well. AHFA should consider rewarding projects for the use quality and energy efficient materials.b	

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	A. 1.)(iii)., Development Costs	5	Tom Champion, Gulf Coast Housing Partnership, Inc.	1)-iii-Development Costs: This category should be removed for a number of reasons including but not limited to: a. Points cannot be self-scored which reduces transparency. Developers cannot adequately analyze the scoring potential of a transaction prior to spending the necessary time and money to submit an application b. This will result in projects that are designed only to meet "minimum" requirements. Innovation and best practices in today's affordable housing world will not be achievable. Truly "green" communities incorporating such things and leed certification, solar energy, tank-less water heaters, etc. will not be achievable thus reducing livability for residents and long term sustainability for the projects. c. The current language does not account for construction cost variances across the state or within the development categories. Costs vary significantly in urban and rural areas. Costs vary within development sub-categories, i.e. a new construction 6 story tower with elevators vs two story garden apartments; or a historic adaptive reuse vs and existing vacant garden style development. d. It is not clear if the TDC described in this section is TDC for the entire development or a per unit TDC. If entire development, then a 40 unit development has a clear advantage over a 100 unit development though fewer housing units would ultimately be delivered as typically a 100 unit development would	

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				have a lower TDC than two 40 unit developments, but the 40 unit developments would have a scoring advantage. e. This would limit outside subsidy opportunities. Affordable housing grants and soft funding from outside sources are often competitive and in most cases the requirements include green building, accessibility, walkability, and amenities that in order to score competitively or meet program requirements, would require higher development costs. The proposed would limit developers willingness/ability to pursue outside sources which would potentially fund the increased costs for "higher quality" developments if awarded. f. This is an incentive to developers' to engage the cheapest attorneys, third party providers, architects, GCs, etc. and only build new construction to minimal requirements or do the least amount of rehabilitation allowable. If limiting credits is the goal, this can be accomplished through developer/project caps which would provide developers the opportunity to pursue other sources of funding to build higher quality developments. If construction cost limits are instituted they should be published and have multiple categories such as historic, single-family, senior, elevator vs non elevator, etc.	

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	A. 1.) (iv.) (a.), Rent Affordability	6	Carlen Williams, Arlington Properties, Inc.	Subsection (a.) of Rent Affordability refers only to development subsidies, which while in theory should improve affordability for residents, actually has the opposite result when combined with the points and tie-breakers AHFA has included in this draft QAP. I can appreciate that leveraging credits with other sources of funding is an important goal and fully support the preference for leveraged projects. However, I would like to request that the first paragraph of this sub-section be rewritten to say: "A maximum of 7 points will be given to projects which have a commitment for additional development subsidies through federal, state and/or local sources."	Sections (a.), (b.) and (c.) of the Rent Affordability section will be revised as follows: (a.) New Funds. A maximum of 7 points will be given to projects which have a commitment for AHFA approved sources from the following list: … *(see list of approved sources in the Plans)* (b.) Existing Funds. A maximum of 4 point will be given to projects which have a Letter of Conditions from USDA for the transfer/assumption of an existing USDA Rural Development Section 515 loan. 4 points - $30,001+ per unit 3 points – 10,000 - $30,000 per unit (c.) Rental/Operating Subsidies. A maximum of 2 points will be given to projects which have a commitment for additional rental/operating subsidies from USDA Rural Development or the Department of Housing and Urban Development (HUD) for at least fifty percent (50%) of the total proposed units.
	A. 1.) (iv.) (a.), Rent Affordability	6	Chris Retan, Aletheia House	In the Rent Affordability Section of Addendum A of the draft HOME Plan (page 6) AHFA lists specific subsidies that can receive points such as CDBG, AHP, local HOME funds etc. Developers have an equal opportunity to compete for these sources of subsidy, and they should remain in the plan. However, there is one source of subsidy listed that is only available to Neighborworks affiliates and there are only three of these affiliates in Alabama- Community Action Partnership of North Alabama (CAPNA), Community Service Program of West Alabama (CSP) and Neighborhood Housing Services of Birmingham. When we met with one of these affiliates to discuss accessing these funds, they told us the affiliate had to develop and own the project being developed	

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				to access these funds. So we could not access this source of funds even though we are a CHDO. This means these three organizations are the only developers in Alabama that have access to a source of funds that will earn them subsidy points, which gives them an unfair advantage. This advantage is especially troubling since these affiliates would likely be competing for the CHDO setaside funds. We are a CHDO, but did not compete for CHDO setaside funds last year since we knew one of these affiliates would earn subsidy points for their Neighborworks Capital Grant that we could not match. Allowing this situation to continue will discourage the submission of CHDO setaside applications. AHFA will likely have few or no CHDOs that are not Neighborworks affiliates applying for the CHDO setaside funds since the nonaffiliates will always start with a disadvantage. To create a fair competition, AHFA should only provide points for subsidies such as AHP, CDBG, local HOME, Home Depot Foundation, etc. that all developers can access.	

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	A. 1.) (iv.) (b.), Rent Affordability	6	Gary Hall, Alabama Affordable Housing Association Allan Rappuhn, Gateway Development Corporation Thomas N. Ward, CRN Development David Morrow, Morrow Realty Company, Inc. Terry Mount, DSI	(iv.), (b.) USDA, The $20,000 threshold for USDA 515 loans under paragraph (iv)(b) is too high. Older RD properties, which are generally more in need of rehab, have lower principal balances due to the age of their loans. Virtually no RD properties would hit the $50,000 threshold. Few would even meet the $20,000 threshold. Please revise as follows: o 7 points - $16,001 or more per unit o 6 points - $12,001 to $16,000 per unit o 5 points - $8,001 to $12,000 per unit o 4 points - $4,000 to $8,000 per unit.	
	A. 1.) (iv.) (b.), Rent Affordability	6	Carlen Williams, Arlington Properties, Inc.	Please consider expanding the preservation preference for USDA RD515 projects to include to a transfer/assumption of any exisiting federal loan/guarantee as well as projects previously assisted by tax credits in which the initial 15-year compliance period has expired. South Carolina has established additional requirements that AHFA may find useful in its deliberation: The existing development must have been continuously operated throughout the initial 15 year compliance period without further financial assistance following the issuance of 8609s from the Authority…and can have no outstanding compliance monitoring issues at the time of application submission.	

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	A. 1.) (iv.) (b.), Rent Affordability	6	Tom Champion, Gulf Coast Housing Partnership, Inc.	1)-iv-Rent Affordability: 4 or 5 points for assumpion of a 515 loan is too high. This is not a "cash" subsidy that can be used to pay costs related to the redevelopment of a property but simply a paper transaction. Subsidy points alloted for assumpion of an existing loan, if given at all should be minimal.	
	A. 1.) (iv.) (c.), Rent Affordability	6	Gary Hall, Alabama Affordable Housing Association Allan Rappuhn, Gateway Development Corporation Thomas N. Ward, CRN Development	(iv), (c.) RAD - we ask that AHFA publish in the QAP the formula for which it will calculate the RAD subsidy for point scoring purposes. As RAD manifests itself in the form of project based rental assistance (i.e. the RAD CHAP depicts $425/mo. rent for 1 BR, $500/mo. rent for 2 BR, etc.), it is unclear how AHFA intends to score this section.	

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	A. 1.) (iv.) (c.), Rent Affordability	6	Sam Johnston, Arbour Valley Development	RAD is not a subsidy and should garner no points—it's a conversion to project-based section 8 housing. RAD was designed for PHA's to borrow money to address deferred maintenance in its housing stock. Under RAD, annual operating and capital funds are exchanged for a HAP/Section 8 contract which allows PHA's to take on debt—the financial structure is no different than normal LIHTC deals with a first mortgage. RAD is a subsidy in name only. How is the subsidy per unit calculated? If the subsidy is based on a loan, every LIHTC deal merits points. The intent of subsidies is to reduce a property's need for housing credits. However, in the 2016 cycle, three RAD deals consumed 52% of the state's credit allocation at an average of $14,162/unit. Meanwhile, excluding the CHDO award, the six non-RAD awards garnered 36% of the state's allocation at an average of $8,339/unit. Clearly the RAD "subsidy" didn't work. We suggest that RAD be removed as a subsidy so that non-RAD deals can compete on a fair basis. If supporting PHA's (or their for-profit partners) is an AHFA priority, we would suggest a set-aside similar to the set-aside for CHDO's. However, given the large RAD credit requests, we would suggest one PHA award per cycle.	

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	A. 1.) (iv.) (c.), Rent Affordability	6	Ricardo Figueroa, CCIG	Rental Subsidy points should not be limited to just RAD program rental subsidie. These should extend to existing HAP contracts as well as HAP and RAD are indistinguishable in form. Otherwise, the distinction seems arbitrary.	
	A. 1.) (iv.) (c.), Rent Affordability	6	Ricardo Figueroa, CCIG	Funds should not be limited to debt; rental subsidies in the form of HAP contracts provide cash for greater debt sizing otherwise unavailable with just market rents. If points are not allowed in this section for HAP contracts, they should be allowed in other sections	
	A. 1.) (iv.) (c.), Rent Affordability	6	David Morrow, Morrow Realty Company, Inc.	(iv.) We request that AHFA remove subparagraph (c.) regarding RAD funds. There is not a published formula in the QAP or elsewhere for which AHFA will calculate the RAD subsidy for point scoring purposes. It is not clear that these rental assistance funds are separate from what the ACC contract already allows in funds to the project benefitting the residents other than it is converted to section 8 rental assistance. Alternatively, RAD funds could go back to	

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				the additional subsidies section that it was in last year so it is not double counted in the 2 point sections if it is converting capital funds to rental assistance.	
	A. 1.) (iv.) (c.), Rent Affordability	6	Lori Harris, Norstar Development USA, L.P. Evette Hester, Montgomery Housing Authority	Section (iv.) (b.) and (c.) - Rent Affordablity - The proposed 2017 QAP adds two (2) new categories of subsidy - USDA Rural Development 515 and RAD - eligible for points. Issue/Comments: Sections (b) and (c) of this socring criteria rewards RAD and USDA 515 projects. It is true that securing operating subsidies allow projects to serve very-low income households. The AHFA scoring supports these two specific programs. While RAD and USDA Rural Development 515 funds are important sources of operating subsidy, there are other operating subsidy programs that can serve the same policy goal of serving very-low income households. The public housing program provides ongoing project-based, long term operating subsidies to projects with very-low income residents. Under the public housing program each housing authority enters into a Annual Consolidated Contract (ACC) with HUD that provides operating subsidies to projects. RAD is a program that converts federal project-based public housing subsidy to federal Section 8 voucher subisdiy. If AHFA included public housing operating subisdy as part of the scoring criteria of (b) or (c), LIHTC developers would have access to	

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				another program that could serve very-low income households. Recommendation: The recommendation is to add points for public houisng operating subsidies through ACC contracts. Specifically, language could be added to (c) as follows: "A maximum of 3 points will be given to projects which have a commitment for additional rental subsides from Rental Assistance Demonstration funds or an Annual Assistance Contract under the public houisng program."	
	A. 1.) (iv.) (c.), Rent Affordability	6	Carlen Williams, Arlington Properties, Inc.	I support separating the points awarded for RAD operating subsidy from the development subsidies as the RAD program offers households with the least ability to pay an opportunity to live in new/redeveloped housing. I would like to request that other project based operating subsidies be included in this section as well, as these subsidies truly respond to the tenant's ability to pay and typically carry long-term operating requirements that preserve affordable housing for the long-run. I also suggest that the number of points available for long-term operating subsidies be increased to up to 7 points so that the preference for rent affordability is consistent with the leverage preference in subsection (a.). As the preference here would be for operating subsidy rather than development capital, the point allocation should be reflective of the subsidy program. I recommend either	

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				awarding points for the % of units subsidized or for the % AMI served. Below is proposed language and a possible scale: A maximum of 7 points will be given to projects which have a commitment for rental subsidies through the Low Rent Public Housing Program, Rental Assistance Demonstration, Project-Based Rental Assistance or Project-Based Vouchers. 7 points-- 60%+ units assisted 5 points-- 40%+ units assisted 3 points-- 25%+ units assisted	
	A. 1.) (iv.) (c.), Rent Affordability	6	Tammy Stansbury/Tom Simons, The Woda Group, Inc.	(iv) Rent Affordability 1) How will the RAD "subsidy" per unit going to calculated? 2) RAD points should be removed from the rent affordability scoring criteria. Giving RAD deals up to 3 points gives an unfair advantage over non-RAD deals. 3) Is the intent of additional subsidies is to see the reduction in the amount of housing credits being requested? If so, how did three RAD deals consume over 50% of the state's allocation last year? A lot more affordable units can be funded in Alabama without this "subsidy".	
	A. 1.) (iv.) (c.), Rent Affordability	6	Tammy Stansbury/Tom Simons, The Woda Group, Inc.	(iv) Rent Affordability - In addition, we would suggest that the list of "allowed" funding structures not be so restrictive, and that other funding sources be included that could provide a soft loan (interest rates below AFR for at least 10 years. This loans would reduce the amount of HOME funds that are requested. We further suggest including USDA RD 538 Guaranteed Loans and HUD 221 (d)(3) loans. While these loans are not a subsidy or soft funds, they do offer a below	

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				market interest rate and a longer term which makes the project more viable. This loan guarantee helps to obtain favorable financing terms for the development budget when seeking equity providers. By allowing a wider range of other types of funding, will reduce the amount of HOME funds applicants request from AHFA or local PJ's to possibly fund more projects.	
	A. 1.) (v.) (a.), Tenant Needs	6	Ricardo Figueroa. CCIG	Definition of Elderly should be adressed. There are various definitions of "Elderly" in affordable housing, and while the IRS uses one specific definition, HUD has several definitions that control based on the type of contract on the property. Will AHFA defer to the controlling HUD definition in moments of conflict?	The definition for elderly is included in the AHFA's Compliance Manual for Multifamily Funded Properties located at www.ahfa.com.
	A. 1.) (v.) (b.) & (c.) Tenant Needs	7	Russell L. Bennett, Low Income Housing Coalition of Alabama (LIHCA)	LIHCA applauds and appreciates the 1 point incentive for 1) developers who create 3 or more bedroom units for large, lower-income families, and 2) 2 points for developers to set-aside units for individuals/families with disabilities and those who are transitioning from homelessness. We hope that AHFA continues to incentivize developers to serve those who are most vulnerable and we would like to see additional points for set-aside units for vulnerable populations in future QAPs	No response necessary.
	A. 1.) (v.)(c.), Tenant Needs	7	Gary Hall, Alabama Affordable Housing Association	(v.) Tenant Needs, (c), Change the scoring item back to the way it was in 2016. A 5% setaside is adequate in size without risking vacancies or unduly raising operating costs. It should be noted that this item seems to stand in opposition of AHFA's desire to	The Tenant Needs section will be revised as follows: Two (2) points will be given to projects which set-aside a minimum of 5% of the total proposed units for tenants with

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			Allan Rappuhn, Gateway Development Corporation Thomas N. Ward, CRN Development Bradley Carroll/Vantage Development *************** Terry Mount, DSI	lower development costs because units designed for disabled tenants are more expensive.	disabilities or homeless populations. The units must be actively marketed and rented to households with at least one tenant with a disability or a tenant transitioning from being homeless. An approved marketing and preference plan will be required at the time of the final application.
	A. 1.) (v.)(c.), Tenant Needs	7	David Morrow, Morrow Realty Company, Inc.	(v.)(c) We request that AHFA change the scoring item back to the way it was in 2016. A 5% setaside is adequate in size without risking vacancies or unduly raising operating costs.	
	A. 1.) (v.)(c.), Tenant Needs	7	Ann Marie Rowlett, Rowlett & Company, LLC	Disabled/Homeless Population: AHFA should consider going back to giving points for 5% of the units set-aside for disabled/homeless. Having a 10% set-aside may lead to vacancies raising operating costs and these units are more expensive to build.	
	A. 1.) (v.)(c.), Tenant Needs	7	Tammy Stansbury/Tom Simons, The Woda Group, Inc.	(v) Tenant Needs– The LIHTC Program is not a special needs program, it is a housing program. A 5% set-aside for tenants with disabilities or homeless is enough of a burden on a property. Special needs units are more expensive to construct and can also cause vacancy issues.	
	A. 1.) (v.)(c.) & E., Tenant Needs	7	Carlen Williams, Arlington Properties, Inc.	Please clarify whether development of accessible units for the points associated with set-aside units in subsection (c.) of Tenant Needs is in addition to the units developed under subsection (e.). In other words, if a	

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				project selects to set-aside 10% of its units for tenants with disabilities, must 15% of the units be accessible to qualify for all 3 available points?	
	A. 1.) (v.) (d.), Tenant Needs	7	Ricardo Figueroa, CCIG	Are points given for using the public housing waiting list or to target those households through advertising. Need clarification on "target" requirement.	
	A. 1.) (vii.)(a.), Project Type	7	Gary Hall, Alabama Affordable Housing Association Bradley Carroll, Vantage Development Terry Mount, DSI	(vii.) Project Type, (a). HOME. Change the scoring on item (a) back to how it was in the 2016 QAP. NEW It will be economically infeasible for most, if not all, eligible HOME developments to fully repay their HOME Loans. Given that, awarding an additional 2 points to applicants that fully repay a HOME Loan is setting up a "pay to play" scenario where applicants will repay HOME loans using cash from outside the development. This situation sets up an unlevel playing field that can favor personal wealth at the expense of the best development. We recommend changing the scoring back to how it was in the 2016 QAP.	This section will be revised as follows: A maximum of 7 points will be given for th rehabilitation of a project with an existing AHFA HOME loan that matures prior to or within the year covered by the applicable QAP. In order to be eligible for these point the project must meet one of the following criteria: 7 points – If the proposed project has paid 100% of the HOME loan (principal and interest). 5 points – If the proposed project has fully executed a commitment of an AHFA approved 15-year extension of the HOME loan. In addition to this change, the maximum points for the Project Type section will be corrected to reflect a maximum of eight (8) points.
	A. 1.) (vii.)(a.), Project Type	7	David Morrow, Morrow Realty Company, Inc.	(vii.)(a) It will not be economically feasible for most, if not all, eligible HOME developments to fully repay their HOME Loans. Given that, awarding an additional 2 points to applicants that fully repay a HOME Loan is setting up a "pay to play" scenario where applicants will repay HOME loans using cash from outside the development, skewing the performance of the HOME properties and sound underwriting. This situation sets up an unlevel playing field that can favor the most wealthy developers	

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				(paying down HOME loans from personal resources) over funding the best development in terms of soundness of location, market, etc. Instead of giving priority to applications whereby the owner paid off or received a 15 year extension of an AHFA HOME loan, we recommend that a priority be given to applicants who choose to pay their HOME loans from available cash flow annually during the term of the loan. This is a more efficient, reliable use and predictable source of payback of HOME funds, and is a level playing field of all developers.	
	A. 1.) (vii.)(a.), Project Type	7	Lori Harris, Norstar Development USA, L.P. Evette Hester, Montgomery Housing Authority	Section (vii.)((a.) Project Type – Overall this section provides up to 10 points. Of these points nine of the ten points in this section are only available to rehabilitation projects instead of new construction projects. Specifically under section (a) of this scoring criteria, rehabilitation projects that include existing HOME loans can earn between 1 and 7 points. Issue: While it is recognized that AHFA may want to prioritze projects that have repaid existing HOME loans to increase scarce affordable housing resources, awarding points in the QAP unfairly advantages rehabilitation projects with existing HOME funds. Project sponsors who have not utilized the HOME Program are not eligible to secure the associated points. This scoring	

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				provides an unfair advantage to rehab projects over new construction. Recommendation: It is recommended that the points associated with this section be returned to the 2016 levels so as not to further exacerbate this unfair advantage to rehab HOME projects.	
	A. 1.) (vii.)(a.), Project Type	7	Carlen Williams, Arlington Properties, Inc.	The number of points available for rehabilitation of projects with AHFA HOME loans appears excessive as AHFA's identified housing priorities (listed on page 6 of the QAP) do not include a focus on only preserving existing housing with specific development sources. I suggest that AHFA either lower the number of points available for AHFA HOME-funded projects OR expand the subsection to include any AHFA assisted project. In addition, I would contend that these points belong under Rent Affordability rather than Project Type, as projects with HOME funds are awarded points under the Rent Affordability umbrella.	
	A. 1.) (vii.)(a.), Project Type	7	Ann Marie Rowlett, Rowlett & Company, LLC	Project Type: I think that the points for expiring HOME loans should be even higher than the points proposed. I think the AHFA will find that a majority of the expiring HOME deals are in rural markets that make it very difficult to raise rents or get favorable appraisals that would allow for refinancing of the loans and making repayment of the HOME loans extremely difficult. Even coming back in for new tax credits, these projects are very difficult to pencil out. Also,	

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				I think that AHFA should consider making expiring HOME projects exempt from service distances and the AMI points. When the older HOME loans were done 20 years ago, services were not considered and in rural areas, the services around the developments have not necessarily improved. The projects are where they are and should not be negatively impacted because of distance to services now.	
	A. 1.) (vii.)(a.), Project Type	7	Tammy Stansbury/Tom Simons, The Woda Group, Inc.	(vii) Project Type – We would recommend that the language from the 2016 QAP be changed back into the 2017 QAP in this section. The points being proposed for an applicant to fully repay their HOME loans does not create an equal playing field. This pay to play point item is not good public policy for Alabama. Items B and C should also be changed back to reflect the 2016 QAP language.	
	A. 1.) (vii.)(a.), Project Type	7	Tom Champion, Gulf Coast Housing Partnership, Inc.	1)-vii-Project Type: Points should not be awarded for paying off an existing HOME loan. This is an owner commitment similar to a compliance commitment and owners should not be rewarded an incentive for doing what they committed to do. Indeed, it should be a "negative action" or a loss of compliance points if a loan is not paid off by the maturity date. In addition, paying off of a loan for an existing project does in no way make it a "higher quality" project as compaired to other submittals. We understand there may be other issues of concern to the Agency that are driving these	

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				points. As an alternative if necessary, a set-aside similar to the CHDO could be established in which these properties could compete. However, these applications should not roll to the general pool affecting other applications. The individual applicants would have the choice to compete in the set-aside or the general pool.	
	A. 1.) (vii.)(b.), Project Type	8	Lori Harris, Norstar Development USA, L.P. Evette Hester, Montgomery Housing Authority	Section (viii.)(b.) Project Type – Overall this section provides up to 10 points. Of these points nine of the ten points in this section are only available to rehabilitation projects instead of new construction projects. Specifically, under section (b) of this scoring criteria, projects seeking state or federal historic tax credits are eligible for 4 points. Issue: Historic preservation is an important policy goal, and the use of historic preservation tax credits increases the resources available for affordable housing development. However, increasing this scoring criteria from 1 point to 4 points further increases the unfair advantage to rehab projects. Recommendation: It is recommended that the points for this subsection be reduced from 4 points to 2016 level of 1 point.	No changes will be made.
	A. 1.) (vii.)(b.), Project Type	8	Tom Champion, Gulf Coast Housing Partnership, Inc.	1)-vii-Project Type-b: The Historic credit is a valuable subsidy. It is true equity with little post completion compliance and therefore, more valuable than many of those listed in Rent Affordability section (a) which are in	

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				the form of loans requiring repayment. Therefore, use of the historic credit should be rewarded in a similar fashion in addition to points recognizing the effort to preserve Alabama's historic heratige. We understand that simply being eligible for the historic credit does not require that a developer take advantage of it. We propose that a graduated structure be employed that gives incentives and rewards developers for actual use of the subsidy as follows: 8 points: Submission of a Part 2 indicating a credit of greater than $16,001 per unit. 7 points: Submission of a Part 2 indicating a credit of $12,001 - $16,000 per unit. 6 points: Submission of a Part 2 indicating a credit of $8,001 - $12,000 per unit. 5 points: Submission of a Part 2 indicating a credit of $4,000 - $8,000 per unit 4 points: Submitting proof that an existing building qualifies for the Alabama or Federal Rehabilitation Tax Credit. Submission of a Part 2 requires significant commitment on the part of a developer as architecural plans must be substancially complete. In addition to the Part 2, an LOI from a historic equity purchaser should be submitted to determine credit pricing/equity/subsidy total.	
	A. 1.) (vii.)(b.), Project Type	8	Kristina Stone, TBG Residential	Four points are awarded for rehab of existing buildings that provide sufficient evidence that the project qualifies for federal historic tax credits.	

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				In doing historic adaptive reuse projects, adjacent new construction units are sometimes added to supplement those units created in the historic structure for more total units in the development. Please clarify that this is allowable and in what proportion. In Georgia, for example, the historic building or buildings being adaptively reused must generate and constitute at least 50% of the total units in the proposed development. Frequently, historic properties do not yield a large number of units, and allowing additional new construction units creates not only more options and styles for residents, but also a more financially sound project.	
	A. 1.) (vii.)(b.), Project Type	8	Carlen Williams, Arlington Properties, Inc.	The National Trust for Historic Preservation touts the following benefits of the historic tax credit and subsequent attraction of new private capital to the historic cores of cities and Main Streets across the nation: - Enhancing property values - Creating jobs - Generating local, state and federal tax revenues - Revitalizing communities These same benefits (and attraction of capital) applies to rehabilitation of existing public housing developments. Public housing developments often serve as the anchor in a neighborhood, and when not adequately maintained, may negatively impact the area around it. Just as AHFA is right to encourage redevelopment of historic structures that may be negatively impacting a neighborhood,	

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				including existing public housing under this subsection accomplishes the same goal. I would like to request that subsection (b.) of Project Type be expanded to include rehabilitation of existing buildings, commerical and/or residential, that will serve as a catalyst for neighborhood reinvestment and revitalization as evidenced by a letter from the Mayor.	
	A. 1.) (vii.)(c.), Project Type	8	Dian Torres, Pennrose Properties	Project Type The QAP provides a significant number of points that clearly favor rehab developments over new construction. Outside of AHFA's priority toward the HOME loans, it is recommended that they remove the additional point for rehabilitation of existing multifamily residential rental housing.	Previously existing multifamily housing wil be defined as multifamily housing that has been removed within the last five (5) years or will be removed for new replacement housing on the same site.
	A. 1.) (vii.)(c.), Project Type	8	Laura Abernathy, National Housing Trust	Maintain points awarded to project proposing the preservating of existing affordable housing under Project Type (section 1, vii). By prioritizing preservation, AHFA's QAP can provide the incentives necessary to prevent the loss of this indispensable affordable housing. Property owners, nonprofit organizations, developers, and local governments depend on state housing finance agencies to provide the financial and technical assistance necessary to preserve affordable housing for future generations.	
	A. 1.) (vii.)(c.), Project Type	8	Lori Harris, Norstar	Section (viii.)(c.) Project Type – Under section (c) of this scoring criteria,	

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			Development USA, L.P. Evette Hester, Montgomery Housing Authority	rehabilitation and replacement of previously existing multifamily housing receive 1 point. Issue: From a public policy perspective, we appreciate AHFA's intent to support local initiatives to revitalize neighborhoods. We believe the replacement of "existing multifamily housing" and "previously existing multifamily housing" preserves important affordable housing assets in a community. However, the current definition of "previously existing multifamily housing" is "housing that has been removed within the last 2 years or will be removed for new replacment housing on the same site." The revitalization of a large-scale residential development typically requires an implementation plan that includes mulitiple phases. The timeframe for the implementation often exceeds two years. Recommendation: It is recommended that the definition of "previously existing multifamily housing" be modified. The recommendation is to increase the timeframe from 2 years to 5 years. This allows for a multi-phase implementation plan for the removal and replacement of housing. It is recommended that the points awarded for this subsection be increased from 1 point to 4 points. Since an implementation plan that includes neighborhoods revitalization and the replacement of previously existing multifamily housing requires coordination with multiple and multi-year commitments	

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				from local agencies, an increase in scoring could be justifed to compensate for the increased complexity.	
	A. 1.)(viii.)(a.)(1), Neighborhood Services	8	Daniel Tait, Energy Alabama	We recommend section 1.viii.a.1 provide 2 points for 0.5 mile or less walkability to the listed services in the section.	No changes will be made.
	A. 1.)(viii.)(a.)(1), Neighborhood Services	8	Carlen Williams, Arlington Properties, Inc.	Please consider expanding the total number of points under Location to encourage and prioritize the goals of the state's Analysis of Impediments and HUD's goals of Affirmatively Furthering Fair Housing. I suggest adding a new subsection that addresses a preference for reducing "disparities in access to community assets such as education, transit access, employment" through site selection. Suggested language and a proposed scale is below: Community Assets (Maximum 8 Points) Up to 8 points will be awarded for community assets located within 2 miles of the site. Distance will be measured by…Points will only be given for the neighorhood services listed below. Education (up to 5 points): Quality Schools (up to 3 points) - 1 point awarded for each school (Elementary, Middle, High) that scores an 8 or better on GreatSchools.org Early Learning Centers/Daycare (up to 2 points) - 1 point for Affordable ELC/Daycare center with sliding pay scale	

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				1 point for "First Class Pre-K" program or NAEYC-accredited day care Transit (up to 2 points): 1 point for on-site covered bus stop shelter that rests along a transit line that follows a fixed route and daily schedule 1 additional point for bus stop that services more than one route Employment (3 points): 3 points for sites located within 2 miles of major employment centers (defined as Industrial Parks, hospitals, and military bases currently in operation).	
	A. 1.)(viii.)(a.)(1), Neighborhood Services	8	Ann Marie Rowlett, Rowlett & Company, LLC	Neighborhood Services: AFHA should consider returning to a tiered point scale for distances to services and increasing the maximum distance from 2 miles to 3 miles. This would allow for less ties in scoring and help projects to be competitive even if they are not right in the middle of town next to all the services.	
	A. 1.) (viii.)(a.)(2.), Census Tract Location	8	Dian Torres, Pennrose Properties	Census Tract Location A maximum of 2 points will be given to a project located in a census tract where the Median Family Income from the 2010 census data is equal or above the following percentages of the county's 2016 Annual Median Family Income published by HUD: 1 point for– 80% to less than 100% 2 points for– 100% or more We believe this priority continues to redline urban city development and creates a reverse	No changes will be made.

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				discrimination by developing and focusing only in upper income communities. We recommend that no weight be given to any census track based on income or minority concentation We further recommend that AHFA provide scoring that encouranges participation of local entities that enhance the affordability of the development such as "Local PHA/Government Contribution" It is recommended that AHFA consider the following language: Two (2) points will be awarded for projects receiving a long-term ground lease (no less than 45-year) from a local public housing authority or government entity for nominal consideration and no other land costs. Leases can only be considered for points under this category and not under any other scoring category.	
	A. 1.) (viii.)(a.)(2.), Census Tract Location	8	David Morrow, Morrow Realty Company, Inc.	In order to give preference to QCT areas per the QAP, allow 2 points for projects located in a qualified census tract whereby the median family income for 2010 is 80% to 100% of the countie's 2016 median family income	
	A. 1.) (viii.)(a.)(2.), Census Tract Location)	8	Lori Harris, Norstar Development USA, L.P.	Section (viii.)(a.)(2) - Location - A maximum of 2 points are available for projects located in a census tract where the Median Family Income from the 2010 Census data is equal or	

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			Evette Hester, Montgomery Housing Authority	above the County's 2016 Annual Median Family Income. Issue: While the scoring in this section is supportive of the policy goal of deconcentrating poverty, the point scoring also undermines the ongoing redevelopment plans/efforts in QCTs. Recommendation: To further the policy of deconcentrating poverty, it is recommended that projects located in QCTs that include unrestricted, market units be elgible for points in this section. This would further the intent of ensuring a combinaton of market rate and LIHTC-eligbile units. Specifically, the point scoring could be modified to reflect 1 point for projects include a minimum of 10% market rate units and 2 points for projects that include more than 10% market rate units.	
	A. 1.) (viii.)(a.)(2.), Census Tract Location)	8	Tammy Stansbury, Tom Simons, The Woda Group, Inc.	(viii) (2) Census Tract Location: No points should be awarded to specific census tracts in the QAP. This type of point structure creates reverse discrimination and does not address the housing needs in a lot of communities that need affordable housing in the 50% - 60% range in Alabama.	
	A. 1.) (viii.) (b.) (1.) Negative Neighborhood Services	9	Laura Abernathy, National Housing Trust	Maintain exception to Negative Neighborhood Services (section 1, viii, b, 1) for projects proposing the rehabilitation of existing multifamily units.	No changes will be made.

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	A. 2.) (ii.) Applicant Characteristics	10	Terry Mount, DSI	Plan says having experience in the development of multifamily housing since 2005. There is no refernece to maintaining ownership. The instructions and the forms state "developed and own".	Applicant Characteristics will be revised as follows: (ii) 5 points will be given to applicant owners (individual(s), shareholders, members, corporation(s), or in the case of a limited partnership, the general partner(s)) who currently own and have previous successful experience in the development of Active AHFA funded projects that received a Housing Credit Reservation Letter or HOME Written Agreement in 2005 or later. Active AHFA funded projects are defined as: (1) HOME projects that have closed their HOME loan with AHFA; or (2) Housing Credit (including TCAP/Exchange) projects that received the IRS 8609 form(s). Points will be given to owners of Non-AHFA funded projects that placed in service in 2005 or later. The applicant owner must list each Non-AHFA project on the Schedule of Real Estate Owned (Non-AHFA) form and provide a certification from the financing entity confirming ownership and the number of units for each project. ***Special limited partners do not qualify for these points.*** *Mobile home developments, hospitals, sanitariums, life care facilities, or intermediate care facilities are not considered multifamily housing for purposes of qualifying for points. The owner may include experience gained as an owner in another firm, but not as an employee of*
	A. 2.) (ii.) Applicant Characteristics	10	Ann Marie Rowlett, Rowlett & Company, LLC	Developer Experience: AHFA should consider going back to a tiered scale for experience points. The way the QAP is written now, it's 5 points or no points. There are developers in the state who have been developing for years but because they do not get an award every year that they apply may not have 5 projects that have placed in service since 2005. This seems unfair to good, seasoned developers. Not being able to get these 5 points pretty much makes an application un-competitive. At least having a tiered scale would give them more of a chance to compete by possibly making up points in other areas.	

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					another firm. Applicants must currently own the properties listed for development points. 5 points – (500 units or 5 + projects)
	A. 2.) (iii.), Applicant Characteristics	10	Carlen Williams, Arlington Properties, Inc.	Please clarify whether AHFA will count projects with only a portion of units set aside for low-income tenants as one of the 10+ Projects required for points. In other words, if the agent manages 300 low-income units over 14 projects, would the agent qualify for the 10 points?	Section A.2.(iii.) will be revised as follows: 10 points will be given to applicants with sound experience managing agents of low-income multifamily housing. This experience is defined by the highest number of units **or projects (with at least 20% of the units being considered low-income)** currently managed. Only those units in projects that are considered low-income units will be counted in this total. 10 points – (1,000 units or 10+ projects)
	A. 2.) (iii.) - (iv.), Applicant Characteristics	10	Carlen Williams, Arlington Properties, Inc	I appreciate the simplicity of the Applicant Characteristics language and support the point allocations as proposed.	
	A. 2.) (iv.), Applicant Characteristics	10	David Morrow, Morrow Realty Company, Inc.	2.)(iv.) Please remove this point item. CHDO's already have an preference in that AHFA must award CHDOs at least 15% of HOME funds before all applicants until the 15% goal is met. If the purpose of this item is to ensure that CHDO's attend AHFA training, there are two better alternative options: make CHDO attendance at your CHDO workshop a threshold issue for CHDO's or allow everyone who attends the CHDO training a point.	No changes will be made.
	A. 2.) (iv.), Applicant Characteristics	10	Gary Hall, Alabama Affordable	2.) Applicant Characteristics, (iv.) Remove this item. CHDO's should not be awarded an extra point. They already have an advantage in that AHFA must award them at least 15%	

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			Housing Association ▪▪▪▪▪▪▪▪▪▪▪▪▪▪▪ Allan Rappuhn Gateway Development Corporation ▪▪▪▪▪▪▪▪▪▪▪▪▪▪▪ Thomas N. Ward, CRN Development ▪▪▪▪▪▪▪▪▪▪▪▪▪▪▪ Bradley Carroll, Vantage Development *************** Terry Mount, DSI	of HOME funds. Furthermore, AHFA Selection Procedure states that CHDO applications will be funded before all others until the 15% goal is met. If the purpose of this item is to ensure that CHDO's attend AHFA training, there are two better options: make CHDO attendance at your CHDO workshop a threshold issue for CHDO's or allow everyone who wishes to attend the CHDO training and give everyone the point..	
	A. 2.) (iv.), Applicant Characteristics	10	Tammy Stansbury/Tom Simons, The Woda Group, Inc.	(iv) Applicant Characteristics: Item iv. Should be removed from the scoring system. CHDO's should not be awarded an extra point for attending the AHFA CHDO workshop. CHDO's already have a 15% set-aside.	
B - Environmental Policy Requirements					
	Narrative Paragraph #3	1	Russ Griebel, United Consulting	Addendum B page 1, 3rd paragraph. Is AHFA position that a "historical recognized environmental condition" (HREC) is also a "recognized environmental condition" requiring further assessment (i.e. a Phase II)? Under the ASTM standard a HREC is not automatically a REC. ASTM defines a HREC as "a past release of any hazardous substances or petroleum products that has occurred in connection with the property and has been addressed to the satisfaction of the applicable regulatory authority or meeting	No changes will be made.

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				unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls (for example, property use restrictions, activity and use limitations, institutional controls, or engineering controls)." In some instances, further assessment or remedial actions are not warranted for HRECs.	
	B-1, #2. AHFA Requirements	5	Dana Tilton, Bhate Associates	Is a "metes and bounds" description of the property the only acceptable legal description? Often a legal description will be presented in terms of a subparcel of a certain parcel or subdivision and a metes and bounds descrioption may not always be available without commissioning a formal survey.	No changes will be made.
	B-1, #8. a., AHFA Requirements, Asbestos Testing:	5	Russ Griebel, United Consulting	Item 8a, page 5 Asbestos States "The Phase I ESA will also provide a plan for complete abatement by a qualified asbestos contractor of all friable and non-friable ACM in deteriorated condition in any structures." Does this mean that abatement specifications must be prepared and included within the Phase I, or just a statement that such will be prepared and implemented prior to demolition? Requiring abatement specifications prior to an award appears to be an unjustified expense.	Asbestos Testing is revised as follows: Asbestos Testing: If suspect asbestos-containing materials ("ACM") are present ir any structures, asbestos testing must be performed to document the presence or absence of ACMs in every structure. Testing is to be conducted by accredited inspectors meeting the requirements presented in 40 CFR 763 Subpart E, Appendix C and TSCA Title II in accordance with the Asbestos Hazardous Emissions Response Act (AHERA) requirements and also EPA's National Emission Standards for Hazardous Air Pollutants (NESHAP) regulations. All asbestos testing results must be included in the Phase I ESA at the time of the initial application. AHFA requires the Phase I ESA to include a statement that all friable and
	B-1, #8. a., AHFA Requirements, Asbestos Testing:	5	Dana Tilton, Bhate Associates	Addendum B-1 states that the Phase I ESA will provide a plan for complete abatement by a qualified asbestos contractor of all friable and non-friable ACM in deteriorated condition in any structures. What type of plan does AHFA require? Many of the projects are rehabilitation projects for occupied housing, for which relocation may	

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				be an issue. Is AHFA requiring abatement specifications or a general plan for removal as tenants vacate from individual units or plans for complete abatement of the community? What would be an acceptable timeline to meet the abatement requirement? Could you please elaborate on the type of plan and timeline required?	non-friable ACM in deteriorated condition will be completely abated. If funded, a plan for complete abatement by a qualified asbestos contractor of all friable and non-friable ACM in deteriorated condition in all structures will be required. An asbestos contractor's listing may be obtained from the Alabama Department of Environmental Management ("ADEM") at 334-271-7700 o at www.adem.state.al.us. Non-friable ACMs may be managed in place if in an intact condition. If funded, a site-specific Operations & Maintenance Plan will be required if non-friable intact ACMs are to b left in place. Asbestos standards are located at ASTM E-2356, EPA: Clean Air Act, CERCLA, & OSHA 29 CFR Part 1926.1101. Lead Based Paint Testing is revised as follows: Lead-Based Paint ("LBP") Testing: For all buildings built prior to 1978a LBP testing report must be included in the Phase I ESA. AHFA requires the Phase I ESA include a statement that all LBP will be completely abated (eliminated) by a license LBP contractor. If funded, the plan for LBF abatement will be required. If any structures are planned to be demolished, it is acceptable to provide a plan for abatement via demolition, appropriate characterization
	B-1, #8. a., AHFA Requirements, Asbestos Testing:	5	Dana Tilton, Bhate Associates	The plan states that asbestos testing must be performed to document the presence or absence of asbestos in every structure in which suspect ACMs have been identified. Later it makes mention of ASTM E2356, "Standard Practice for Comprehensive Building Asbestos Surveys". Should it be interpreted that that testing should be in accordance with the cited ASTM protocol or was that reference added for general information? As recently as two years ago, asbestos or the possibility of asbestos was only required as a discussion point in the AHFA Phase I report. In Alabama, ASTM E2356 is not normally followed as part of commercial Phase I ESAs. If it is required that the ASTM E2356 protocol is strictly adhered to, it could become quite burdensome for the applicants as it could easily nearly double the sample analysis costs, which for a 100-unit community could mean that instead of $4,000 in analytical costs, it could be $7,000. These costs are unpredictable before the initial analysis phase. Please clarify the sampling methodology requirements.	

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	B-1, #8. a., AHFA Requirements, Asbestos Testing:	6	Russ Griebel, United Consulting	Also stated page 6 "A site-specific Operations & Maintenance Plan for asbestos must be implemented if ACMs are to be left in place." Does this mean that the O&M plan must be prepared and included within the Phase I, or just a statement that such will be prepared and implemented? Requiring an O&M plan prior to an award appears to be an unjustified expense.	of waste prior to disposal, and post-demolition clearance report in lieu of a LBP testing report. A list of licensed LBP contractors can be obtained from the Alabama Department of Public Health ("ADPH") at www.adph.org. Lead-Based Paint standards: US Department of HUD "Guidelines for the Evaluation and Control of Lead Paint Hazards in Housing": http://www.hud.gov/offices/lead/lbp/hudguidelines/Ch07.pdf. Progress Requirements After the Written Agreement and/or Reservation Letter will b revised as follows: 2.) Within thirty (30) days of the date of the Reservation Letter and/or Written Agreement, the applicant must provide, as applicable: a.) The Environmental Assessment Checklist (available on AHFA's website at www.AHFA.com) b.) An asbestos abatement plan by a licensed asbestos contractor for all friable and non-friable Asbestos Containing Materials (ACMS) in deteriorated condition. c.) A site-specific Operations & Maintenance Plan for all intact non-friable ACMs that are to be left in place.
	B-1, #8. a., AHFA Requirements, Asbestos Testing:	6	Dana Tilton, Bhate Associates	The asbestos section of B-1 indicates that an O&M Plan must be implemented if asbestos in good condition is to be left in place. Is this plan required to be submitted with the Phase I ESA?	
	B-1, #8. b., AHFA Requirements, Lead-Based Paint ("LBT") Testing:	6	Russ Griebel, United Consulting	Item 8b, page 6 LBP States "AHFA requires that the Phase I ESA include a plan for all LBP to be completely abated (eliminated) by a licensed LBP contractor. If any structures are planned to be demolished, it is acceptable to provide a plan for abatement via demolition, appropriate characterization of waste prior to disposal, and post-demolition clearance report in lieu of a LBP testing report." For rehabs, does this mean that an abatement plan must be prepared and included within the Phase I, or just a statement that such will be prepared and implemented? For demolition projects, can the "plan" be as simple as a statement that in lieu of a LBP testing report, at the time of demolition the waste stream will be appropriately characterized prior to disposal, and a post-demolition clearance report will be provided? Requiring an abatement plan prior to an award appears to be an unjustified	

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				expense. Lastly, please define "post-demolition clearance" and outline the protocol and frequency requirements.	d.) A lead-based paint abatement plan by a certified lead inspector/risk assessor. e.) Police/Sherriff Department Letter f.) Fire Department Letter
	B-1, #8. b., AHFA Requirements, Lead-Based Paint ("LBT") Testing:	6	Dana Tilton, Bhate Associates	Addendum B-1 states that AHFA requires that the Phase I ESA include a plan for all LBP to be completely abated by a licensed contractor. What type of plan does AHFA require? Is it sufficient to provide a timeline and general framework for how and when the abatement will occur or is AHFA looking to see abatement specifications for the entire community? Again, relocation may become an issue. If lead is present, what is an acceptable timeline for removal of lead?	
	B-1, #9 b., AHFA Requirements, Wetlands:	6	Russ Griebel, United Consulting	Addendum B page 6, Wetlands. States "The EP's wetlands evaluation must include the entire project site and also any areas not considered part of the project site but which could be impacted by the planned activities on the project site (including without limitation off-site areas that could be impacted by storm water runoff or off-site areas necessary for ingress and egress to the project site)." This is too open ended and could be interpreted to be any property downstream. Access to off-site properties is not part of the typical due diligence process, and it cannot be reasonably expected to gain such access and evaluate all downstream properties. However, ingress and egress properties is understandable	No portion of the site may contain wetlands streams, lakes, or other bodies (which also includes waters of the United States) including any portions not considered part o the site but necessary for ingress and egress to the site. For purposes of the Phase I ESA Report, wetlands are defined according to the U.S. Army Corps of Engineers Wetlands Delineation Manual (1987). The EP must confirm whether or not the site contains wetlands, streams, lakes or other water bodies, including both jurisdictional "waters of the United States" and non-jurisdictional waters and wetlands. The Phase I report must include a United States Fish and Wildlife Service ("USFWS") National Wetlands Inventory (NWI) Map and any wetland delineation studies or assessment reports prepared for the project site and/or adjoining properties. To the extent a Jurisdictional Determination (JD) from the

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
					U.S. Army Corps of Engineers is obtained for the project site, the JD or request for JD must be included with the Phase I ESA Report at the time of submission.
	B-1, #10 (Footnote), ASD Calculator	7	Russ Griebel United Consulting	The link to the ASD calculator at the bottom of Page 7 does not work. This may be the link intended: https://www.hudexchange/info/programs/environmental-review/asd-calculator/	The correct link to the ASD calculator will be added to Addendum B.
C – Design Quality Standards & Construction Manual					
	C. III. 3.) a. 7, Exterior Building Standards	7	Daniel Tait, Energy Alabama	We recommend section III.3.a.7 be amended to add an exception for sprayfoamed attics otherwise known as encapsulated attics. Standard practice for sprayfoamed attics is not to vent them which would reduce their effectiveness.	No changes will be made.
	C. III. 3.) b. 9, Other Exterior Standards	8	Daniel Tait, Energy Alabama	We recommend section III.3.b.9 be amended to require recycling on-site if services are available at the location. Recycling reduces the cost of trash pickup.	No changes will be made.
	C. III. 5.) c. 2. Interior Building and Space Standards, Kitchen Spaces	9	Rory L. McKean, McKean & Associates, Architects, LLC	III.5.c.2 Allow fire extinguisher to be located in a Laundry if Laundry is adjacent to Kitchen. Many times there are no walls in Kitchens that allow placement of the fire extinguisher due to cabinets and being in the way of accessibility and Fair Housing clearances.	No changes will be made.
	C. III. 5.) c. 4, Interior Building and Space	9	Rory L. McKean, McKean & Associates, Architects, LLC	III.5.c.4 For clarification allow Pantry to be part of Laundry Room if Laundry Room is adjacent to Kitchen. This allows for better	No changes will be made.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	Standards, Kitchen Spaces			layout for cabinets and appliances to keep Kitchen area from getting too large.	
	C. III. 5.) c. 4, Interior Building and Space Standards, Kitchen Spaces	9	Rory L. McKean, McKean & Associates, Architects, LLC	III.5.c.4 Request adding that pre-manufactured millwork pantry cabinets that are 1'x2'-6" minimum size with 5 shelves are an acceptable equivalent. This is equivalent to the QAP requirement of 1'-6"x1'-6"..	This DQS will be revised as follows: A pantry closet or pantry cabinet is required in each unit. The pantry must be 1'6" x 1'6" deep **and/or pre-manufactured millwork pantry cabinets that are 1' x 2'-6"deep,** with a minimum of 5 shelves, located in or adjacent to the kitchen.
	III. 5.) c. 5, Interior Building and Space Standards, Kitchen Spaces	9	Daniel Tait, Energy Alabama	We recommend section III.5.c.5 be amended to require all LED lighting as this is the most cost effective lighting available.	No changes will be made to the DQS. The LED lighting has been added to the Energy/Water Conservation and Healthy Living Environment section as a point scoring item.
	III. 5.) c. 5, Interior Building and Space Standards, Kitchen Spaces	9	Rory L. McKean, McKean & Associates, Architects, LLC	III.5.c.5 Request adding 4' LED fixture along with the 4' fluorescent light fixture.	
	III. 6.) d., Plumbing and Mechanical Equipment	10	Rory L. McKean, McKean & Associates, Architects, LLC	III.6.d Request removing the requirements for insulated walls at Mechanical Closets. Since these are inside the units, the insulation provides no thermal advantage. Since louvered doors or return air grills are required, the effectiveness in reducing sound transmission is significantly diminished.	No changes will be made.
	III. 6.) f., Plumbing and Mechanical Equipment	10	Daniel Tait, Energy Alabama	We recommend sction III.6.f be amended to require at least 15 SEER HVAC or higher. 15-16 SEER is widely recognized as the most cost effective options considering upfront cost and energy savings achieved.	No changes will be made.
	IV. 6.) a. 7, Exterior Building Standards	12	Daniel Tait, Energy Alabama	We recommend section IV.6.a.7 be amended to add an exception for spray foamed attics otherwise known as encapsulated attics. Standard practice for sprayfoamed attics is	No changes will be made.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				not to vent them which would reduce their effectiveness.	
	IV. 6.) b. 9, Other Exterior Standards	12	Daniel Tait, Energy Alabama	We recommend section IV.6.b.9 be amended to require recycling on-site if services are available at the location. Recycling reduces the cost of trash pickup.	No changes will be made.
	IV. 8.) c. 5., Interior Building and Space Standards, Kitchen Spaces	13	Daniel Tait, Energy Alabama	We recommend section IV.8.c.5 be amended to require all LED lighiting as this is the most cost effective lighting available.	No changes will be made.
	IV. 9.) e., Plumbing and Mechanical Equipment	15	Daniel Tait, Energy Alabama	We recommend sction IV.9.e be amended to require at least 15 SEER HVAC or higher. 15-16 SEER is widely recognized as the most cost effective options considering upfront cost and energy savings achieved.	No changes will be made.
	V. 2.) a. 7., Exterior Building Standards	16	Daniel Tait, Energy Alabama	We recommend section V.2.a.7 be amended to add an exception for spray foamed attics otherwise known as encapsulated attics. Standard practice for sprayfoamed attics is not to vent them which would reduce their effectiveness.	No changes will be made.
	V. 2.) b. 7., Other Exterior Standards	16	Daniel Tait, Energy Alabama	We recommend section V.2.b.7 be amended to require recycling on-site if services are available at the location. Recycling reduces the cost of trash pickup.	No changes will be made.
	V. 2.) b. 11., Other Exterior Standards	17	Rory L. McKean, McKean & Associates, Architects, LLC	V.2.b.11 Reword first sentence to read "Mailboxes, Playground and all exterior project amenities must be on an accessible route as defined by the applicable accessibility standard.	This DQS will be revised as follows: 11. Mailboxes, playground and all exterior project amenities must be on an accessible route as defined by **the applicable accessibility standard.**
	V. 3.) b. 2., Interior Building and Space	17	Rory L. McKean, McKean &	V.3.b.2 Allow fire extinguisher to be located in a Laundry if Laundry is adjacent to Kitchen. Many times there are no walls in	No changes will be made.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	Standards, Kitchen Spaces		Associates, Architects, LLC	Kitchens that allow placement of the fire extinguisher due to cabinets and being in the way of accessibility and Fair Housing clearances.	
	V. 3.) b. 4., Interior Building and Space Standards, Kitchen Spaces	17	Rory L. McKean, McKean & Associates, Architects, LLC	V.3.b.4 For clarification allow pantry to be part of Laundry Room if Laundry Room is adjacent to Kitchen. This allows for better layout for cabinets and appliances to keep Kitchen area from getting too large.	No changes will be made.
	V. 3.) b. 5., Interior Building and Space Standards, Kitchen Spaces	17	Daniel Tait, Energy Alabama	We recommend section V.3.b.5 be amended to require all LED lighiting as this is the most cost effective lighting available.	No changes will be made.
	V. 4.) c., Plumbing and Mechanical Equipment	18	Rory L. McKean, McKean & Associates, Architects, LLC	V.4.C Delete the requirement for existing Mechanical Closets to be insulated. To do this requires a lot of costly demolition and gypsum board replacement.	No changes will be made.
	V. 4.) f., Plumbing and Mechanical Equipment	19	Daniel Tait, Energy Alabama	We recommend sction V.4.f be amended to require at least 15 SEER HVAC or higher. 15-16 SEER is widely recognized as the most cost effective options considering upfront cost and energy savings achieved.	No changes will be made.
D – Compliance Monitoring Procedures, Requirements & Penalty Criteria					
General Comments					
	AHFA Fees	NA	Gary Hall,	AHFA fees have increased greatly over the past 5 years. While we do not ask that they	No changes will be made.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
			Alabama Affordable Housing Association Allan Rappuhn Gateway Development Corporation Thomas N. Ward, CRN Development Bradley Carroll, Vantage Development Terry Mount, DSI	be lowered, we are requesting that all fees paid to AHFA, including extension fees, be allowable as deal costs.	
	AHFA Fees	NA	David Morrow, Morrow Realty Company, Inc.	We request that all fees paid to AHFA, including extension fees, be allowable as development costs.	
	AHFA Fees	NA	David Morrow, Morrow Realty Company, Inc.	Change order fees should be charged on material changes only. Changes such as changing the project name, amenity changes that do not affect scoring, and the like that require minimal AHFA staff review should not be charged a full change order fee.	No changes will be made.
		N/A	David Morrow, Morrow Realty Company, Inc.	To get AHFA HOME loans repaid on the front end, AHFA could allocate HOME funds as the only permanent source of financing without a conventional loan. By increasing the basis boost for designated higher income areas from 100% to 110%-120%, HOME funds and tax credits could be used in more economically diverse ways to alternatively further fair housing while making projects more economically feasible, would reduce	Section III.G.1– Alabama's HOME Program – Loan Structure, will be revised as follows: 1.) Loan Terms and Repayment: HOME funds will be allocated to the approved projects in the form of a loan(s). AHFA may allocate HOME funds to an approved project(s) in the following ways:

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				the amount of a HOME loan needed, thus allowing for the HOME loans to be repaid.	a.) The loan will bear an interest rate of one-half of one percent (1/2%) accrued annually with all principal and accrued interest payments due at the end of the 20th year. In the event of default, AHFA reserves the right to set a default rate in excess of the prevailing Prime Lending Rate applicable at the time of default; or b.) The loan will bear an interest rate of one percent (1%) fully amortizing in twenty (20) years with required quarterly principal and interest payments. The loan will be in first position relative to any other proposed debt (hard or soft) for the project. The loan will require a minimum debt service coverage ratio of 1.20:1 and if not repaid will result in foreclosure. Debt service coverage is defined as the ratio of a property's net operating income (rental income less operating expenses and reserve payments) to foreclosable, currently amortizing debt service obligations. AHFA will determine the allowable operating expense per unit based on historic and current HOME and Housing Credit properties' financial statements.
		N/A	David Morrow, Morrow Realty Company, Inc.	To assure all HOME funds are allocated, we suggest allowing for HOME loans to be the sole permanent source of financing. This would allow the HOME debt to be partially or wholly amortized. We suggest that any HOME funds that are not utilized in the 9% cycle would not go to developments with housing revenue bond financing, but rather offer the HOME loans to be the sole permanent source, or hold an extra round for HOME funds either stand alone or with Housing Trust Funds or 9% credits.	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
		NA	Chris Retan, Alethia House	It is in the best interest of AHFA to have multiple CHDOs statewide with the capacity to develop affordable housing. However, under the current funding approach, AHFA often uses all of its CHDO setaside funds on one project. This "winner take all" approach increases the likelihood that CHDOS not selected for funding will be less likely to sustain their development capacity. Addendum A of the Draft HOME plan should be amended to encourage funding several CHDO projects by including the following language: AHFA will publish its anticipated CHDO setaside amount in its final HOME QAP. If AHFA receives applications from multiple CHDOs that, in the aggregate, exceed the CHDO setaside, CHDOs that request setaside funds that are less than 60% of the state's total CHDO setaside amount will receive an additional five points. This is a proposed new idea to add to the HOME plan.	No changes will be made.
		NA	Russell L. Bennett, Low Income Housing Coalition of Alabama (LIHCA)	LIHCA recommends that AHFA incentivize developers to provide a portion of the units in all developments as permanent supportive housing by including selection criteria points in the QAP to projects that integrate a percentage of permanent supportive housing units. Reason: Vulnerable populations, including those living with mental illness and/or substance abuse, HIV/AIDS, those experiencing homelessness, and survivors of domestic violence, tend to be marginalized from mainstream housing resources and often need supportive services to maintain housing	No changes will be made.

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				stability. Permanent supportive housing not only seeks to house these populations, but provides supportive services to ensure housing stability. Developers could partner with local service providers to support these tenants with supportive services. Research has demonstrated that supportive housing saves money, as it costs less to house an individual and provide support by reducing the use of public services and the cost of spending time in jails, emergency rooms, and institutions. By prioritizing permanent supportive housing, AHFA would help to reduce the number of homeless and extremely rent burdened individuals and families living in Alabama.	
		NA	Russell L. Bennett, Low Income Housing Coalition of Alabama (LIHCA)	LIHCA recommends that AHFA incentivize developers to list their newly funded properties on ALHousingSearch.org by allocating point(s) to developers who list on the site. Reason: ALHousingSearch.org is Alabama's comprehensive rental housing locator and is completely free for landlords to use to list their properties. It is easy to use and landlords may be assisted by ALHousingSearch.org's administrator. A comprehensive list of all rental units in Alabama is a critical tool when disaster strikes and can be utilized to quickly rehouse victims of natural and man-made disasters. Listing all new HOME/LIHTC properties on the site will be a valuable tool not only for landlords (who can market their properties for free), renters (who can search free of	No changes will be made.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				charge), but also in times of disaster when housing must be located quickly and efficiently.	
		NA	Laura Abernathy, National Housing Trust	Some states are setting priorities for the deployment of Housing Credits in wealthier areas. The Trust supports a balanced approach which calls upon states to ensure that such deployment does not inadvertently disadvantage the allocation of Housing Credits for the preservation of affordable housing, wherever such housing is located. Indeed, as observed in HUD's Final Affirmatively Furthering Fair Housing (AFFH) Rule: "A program participant's strategies and actions…may include various activities…including…Targeted investment in neighborhood revitalization or stabilization; preservation or rehabilitation of existing affordable housing; promoting greater housing choice within or outside of areas of concentrated poverty and greater access to areas of high opportunity; and improving community assets such as quality schools, employment, and transportation." As AHFA continues to develop language regarding the location of affordable housing, we encourage a balance between incentives for projects in wealthier areas and those that preserve and improve existing housing in low-income communities. Preservation is a critical strategy for ensuring a sufficient supply of affordable rental housing. By balancing incentives, AHFA can continue to support the preservation of affordable	No changes will be made.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				multifamily housing, wherever such housing is located. Indeed, incentivizing the preservation of housing in all areas will allow AHFA to promote housing choice by: • Catalyzing investment and development in distressed neighborhoods serving racial minorities; • Improving living conditions and enabling households who choose to stay in their neighborhoods to do so; • Maintaining and improving housing in gentrifying communities. We urge AHFA to balance incentives for investing in areas of high opportunity and improving affordable housing in existing communities in a way that makes sense for Alabama. The Trust strongly recommends including more substantial points for the preservation of affordable housing.	
		NA	Laura Abernathy, National Housing Trust	A majority of states implement utility-funded energy efficiency programs designed to help owners invest in efficiency repairs and improvements, yet lack the capacity or expertise to effectively reach the community of affordable housing owners and developers. We recommend AHFA work with utility companies in the state to improve energy efficiency programs and help owners access utility-sponsors energy efficiency resources. Energy is often the highest variable cost in affordable housing, materially affecting both owners and residents. Increasing energy efficiency in affordable rental housing is a cost effective approach to lower operating	No changes will be made.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				experiences, maintain affordability for low-income households, reduce carbon emissions, and create healthier, more comfortable living environments for low-income families. The Trust encourages AHFA to partner with Alabama utilities to make energy efficiency programs more accessible to affordable, multifamily developments.	
			Ann Marie Rowlett, Rowlett & Company, LLC	AHFA should consider making an exception to the required reduction in HOME debt to maturing HOME Loans and troubled HOME loans who want to participate in the 4% bond pool. It may be possible to group together HOME project and/or combine them with other rehab projects to create a bond pool large enough to make substantial rehab possible. Although the AHFA would not be seeing a reduction in the HOME loan immediately, this would create a pathway for HOME projects that are not financially feasible for a 15-year extension to do something other than asking for a 5-year extension - Kicking the can down the road so to speak. The 4% credits are abundant and AHFA could use this as a way to continue to make those projects feasible for the next 20 years and possibly set up a payment plan for those deals to begiin repaying the HOME debt over time.	AHFA will not seek to interpret this comment for the 2017 Plans. Additional information should have been provided.

Again, AHFA thanks all individuals and entities who provided comments for consideration in developing the final 2016 Housing Credit Qualified Allocation Plan and HOME Action Plan. All comments and AHFA responses provided in this summary are subject to modification and approval by the applicable authorities as specified under Section 42.

NCSHA 2016 Recommended Pract

The Impact of Green Affordable H

Summary of Substantial Changes Based on Public Comments Received by AHFA
2017 Housing Credit Qualified Allocation Plan and 2017 HOME Action Plan

The following is summary of substantive changes made to the Plans based on all comments received; however, other changes were made to the Plans consisting of language clarifications, and the replacement or reorganization of certain sections of text to provide further explanation of the requirements and program guidelines. A detailed summary of all comments received during the commenting period along with responses by AHFA can be found in their entirety at the following AHFA website link:

http://www.ahfa.com/multifamily/allocation_application_info.aspx.

HOUSING CREDIT QUALIFIED ALLOCATION PLAN (QAP)

Housing Credit Allocations – Nine-Percent Credit (Section II.G.2., page 22)
AHFA may use its authority, under Section 42(d)(5)(B)(v) of the IRC, to designate buildings as if they are located in a difficult development area, if they meet all of the following criteria:

1. The applicant is applying for buildings financed with AHFA HOME funds;
2. AHFA is providing the first and second mortgages; and
3. AHFA determines that the project requires an additional increase in eligible basis to be financially feasible.

Progress Requirements after Reservation (Section II.I.2., page 24:
- Within 30 days of the date of the reservation letter, the applicant must provide, as applicable:
    - An asbestos abatement plan by a licensed asbestos contractor for all friable and non-friable Asbestos Containing Materials (ACMs) in deteriorated condition.
    - A site-specific Operations & Maintenance Plan for all intact non-friable ACMS that are to be left in place.
    - A lead-based paint abatement plan by a certified lead inspector/risk assessor.
    - Police/Sheriff Department Letter
    - Fire Department Letter

POINT SCORING SYSTEM – Addendum A

Awards Selection - Tiebreakers (pages 1-2): The tiebreaker given to the owner who requested the least amount of Housing Credits per unit was moved from number 3 to 7. The following tiebreakers were added as the second and third tiebreakers.

- 2. If a tie still remains, priority will be given the application that requested AHFA HOME funds.

- 3. If a tie still remains, priority will be given to the application located in a county with the least amount of AHFA approved units in the last five (5) years.

Item 5c. below was removed from the 5th tiebreaker.

- 5.c. The owner who has not returned their full allocation of AHFA HOME funds or Housing Credits in the prior calendar year through the date of allocation of 2016 funds.

Energy/Water Conservation and Healthy Living Environment (Section 1.(ii)(a-d), pages 5-6
- The points awarded for energy/water conservation and healthy living environment were changed from 4 points each to a sliding scale of points from 1-3 points.

- The following items were added to the 1 point category:
    - Low Volatile Organic Compounds (VOC) wall finishes (maximum VOC levels of 50 grams/liter).
    - Low VOC flooring finishes (maximum VOC levels of 100 grams/liter)
    - Energy Star rated LED lighting in the kitchen.

Development Costs (Section 1.(iii)
- The development cost scoring criteria was removed from the Plans.

Rent Affordability (Section 1.(iv.)(a-c), pages 6-7:
- Clarification was added to further define the different types of subsidies (new, existing, and rental/operating).

- The points and existing subsidy amounts were lowered for the transfer/assumption of an existing USDA RD loan as follows:

    - Existing Funds. A maximum of 4 points will be given to projects which have a Letter of Conditions from USDA for the transfer/assumption of an existing USDA Rural Development 515 loan.

        - 4 points - $30,001 + per unit
        - 3 points - $10,000 - $30,000 per unit

- Rental/operating subsidies were expanded to include a commitment for rental/operating subsidies from USDA Rural Development or the Department of Housing and Urban Develop for at least 50% of the total proposed units.

HOME ACTION PLAN

Loan Structure – Loan Terms and Repayment, Section III.G, Page 11:
AHFA may allocate HOME funds to an approved project(s) in the following ways:

- (i) The loan will bear an interest rate of one-half of one percent (1/2%) accrued annually with all principal and accrued interest payments due at the end of the 20th year. In the event of default, AHFA reserves the right to set a default rate in excess of the prevailing Prime Lending Rate applicable at the time of the default.; or

- (ii.) The loan will bear an interest rate of one percent (1%) fully amortizing in twenty (20) years with required quarterly principal and interest payments. The loan will be in first position relative to any other proposed debt (hard or soft) for the project. The loan will require a minimum debt service coverage ratio of 1.20:1 and if not repaid will result in foreclosure. Debt service coverage is defined as the ratio of a property's net operating income (rental income less operating expenses and reserve payments) to foreclosable, currently amortizing debt service obligations. AHFA will determine the allowable operating expense per unit based on historic and current HOME and Housing Credit properties' financial statements.

ENVIRONMENTAL POLICY REQUIREMENTS – Addendum B-1

Asbestos Testing, Section 8.a, pages 5-6

- The Phase I Environmental Site Assessment must include a statement that all friable and non-friable asbestos containing materials (ACMs) in deteriorated condition will be completely abated.

- If a project is selected for funding, a plan for complete abatement, by a qualified asbestos contractor, of all friable and non-friable ACMs in deteriorated condition in all structures will be required. A site-specific Operations & Maintenance Plan will be required if non-friable intact ACMS are to be left in place.

Lead-Based Paint (LBP) Testing: For all Buildings built prior to 1978 – Section 8.b, page 6

- A LBP testing report must be included in the Phase I Environmental Site Assessment. The Phase I Environmental Site Assessment must include a statement that all LBP will be completely abated (eliminated) by a licensed LBP contractor.

- If a project is selected for funding, a LBP abatement plan by a certified lead inspector/risk assessor must be provided.

Wetlands – Section 9.b, pages 6-7

- No portion of the site may contain wetlands, streams, lakes, or other bodies (which also includes waters of the United States) including any portions not considered part of the site but necessary for ingress and egress to the site.