AHFA 2017 Draft Low-Income Housing Credit Qualified Allocation and HOME Action Plans
Public Comment Form
Commenting Period October 11, 2016 – November 10, 2016

All comments regarding the Draft Plans must be submitted using this form. General Comments may be submitted at the bottom of the form. ***Comments which include cut-and paste text (or redlined/re-worded sections) of the proposed Plans will be rejected.*** *AHFA will not respond (or seek to interpret) to suggested change in language without a complete explanation of the suggested language change.* Please provide full explanatory and careful comments regarding your proposed changes, keeping in mind that your proposed changes might have an unintended consequence for a different project or location in the state. All forms should be submitted to ahfa.mf.qap@ahfa.com as an attachment to the email. Other documentation, e.g., product information or photos, may also be submitted. Upon close of the commenting period, all comments will be posted at www.ahfa.com for review.

10/12/2016

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Plan Section	Section Reference	Page #	Specific Comments
Housing Credit	Add A - Point Scoring	2	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
Housing Credit	Add A - Point Scoring	5	(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 failsafes that ensure that applicants follow the Design Quality Standards. 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 the effect QAP reqirements/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 deliverying quality product, we suggest you follow the NCSHA Recommended Practice in Housing Credit Allocation and Underwriting from the 2016 Credit Conect: •"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 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, attactive, 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.
Housing Credit	Add A - Point Scoring	7	(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 lower development costs because units designed for disabled tenants are more expensive.

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Housing Credit	Add B - ENV Policy	10	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% 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..
HOME	IV	16	C. Application Threshold Requirements, 9.) Applications submitted in other Participating 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.
Housing Credit	Add A - Point Scoring	6	(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. (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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General Comment	Section	N/A	AHFA fees have increased greatly over the past 5 years. While we do not ask that they be lowered, we are requesting that all fees paid to AHFA, including extension fees, be allowable as deal costs.
General Comment	Section	10	Final Application Instructions, 34a. Police/Sheriff Dept Letter, This item is an addition from last year. We question why this item has been added. Have there been incidences of AHFA properties did not have adequate police protection? If not, this item should be removed. The various questions that must be answered will certainly make getting the letter difficult and time consuming. Question #5 is especially problematic. As

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			AHFA well knows, LIHTC/HOME developments are often subjected to NIMBYism, with a prominent complaint being that they will increase crime in the area. This question will be used by cities/counties with NIMBYist attitudes to derail the development. It is our opinion that AHFA cannot rely on the accuracy of the answer to this question and, thus, it should be eliminated.
General Comment	Section	10	Final Application Instructions, 34b.Fire Department Letter , This item is also an addition from last year. This item should be removed. The various questions that must be answered will certainly make getting the letter difficult and time consuming. Question #3 can be a problem to answer. Many fire departments will require you to have fully engineered plans for building, sprinkler and FDC on the project to answer that question. Question #5 is especially problematic. As AHFA well knows, LIHTC/HOME developments are often subjected to NIMBYism, with a prominent complaint being that they will unduly stress city/county resources. This question will be used by cities/counties with NIMBYist attitudes to derail the development. It is our opinion that AHFA cannot rely on the accuracy of the answer to this question and, thus, it should be eliminated.
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