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.

11/10/2016

Name: Tom Champion Organization: Gulf Coast Housing Partnership, Inc. Email: champion@GCHP.net Phone: (504) 525-2505

Plan Section	Section Reference	Page #	Specific Comments
Housing Credit	II	17	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.
Housing Credit	Add A - Point Scoring	5	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 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.
Housing Credit	Add A - Point Scoring	6	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.
Housing Credit	Add A - Point Scoring	7	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 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.
Housing Credit	Add A - Point Scoring	8	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 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.
General Comment	II	21	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.
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		
Plan	Section		