CITIZEN PARTICIPATION PROCESS AND SIGNIFICANT CHANGES
2016 HOUSING CREDIT QUALIFIED ALLOCATION PLAN AND 2016 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 2016 HOME Action Plan and 2016 Housing Credit Qualified Allocation Plan (Plans) were published in the Birmingham, Huntsville, Mobile, and Montgomery newspapers. The Alabama Housing Finance Authority (AHFA) emailed more than 1,155 notices of the draft Plans' availability to interested parties, requesting that they submit written comments regarding the proposed Plans by November 6, 2015. During the designated commenting period, AHFA received written comments from 41 individuals and organizations that comprised of 150 total comments. AHFA has prepared formal responses to these comments and has revised the Plans where appropriate. *Please see the attached Summary of Substantial Comments Received and Responses by AHFA.* 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. Citizen Participation Summary of Substantial Comments Received and Responses by AHFA
2. 2016 Housing Credit Qualified Allocation Plan and HOME Action Plan Summary of Public Comments and AHFA Responses

Summary of Substantial Comments Received and Responses by AHFA
2016 HOUSING CREDIT QUALIFIED ALLOCATION PLAN AND 2016 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.

HOME Action Plan

- Applying for HOME Funds (Section III.G.14, pages 12-13): If HOME funds are available after the competitive application cycle; AHFA may consider an application under AHFA's Multifamily Housing Revenue Bond program for new construction application(s) that meet the HOME Plan, applicable Housing Credit Qualified Allocation Plan and Multifamily Housing Revenue Bond Policy.

Housing Credit Qualified Allocation Plan (QAP)

- Project Inspection Fee (Section I.D.3., page 10): A minimum fee of $5,000 must be paid, at the time of the initial application submission, for an on-site inspection for each 2016 application which contain one (1) or more owner(s) with ownership in less than three (3) placed-in-service projects funded with Housing Credits or HOME funds awarded by AHFA.

  Applicants must consent to an on-site inspection by AHFA (or AHFA's designated consultant) of any of such owner's existing projects, including physical inspections of building and units as deemed necessary by AHFA. AHFA will select one (1) property for inspection for applicants with less than six (6) non-AHFA projects and up to three (3) properties for inspection for applicants with more than six (6) non-AHFA projects based on the Schedule of Real Estate form submitted with the application.

- Application Threshold Requirements - Site Location (Section II.C.12, pages 14-15): AHFA will not consider any application (for a new construction project or rehabilitation project that is less than 50% occupied) if the proposed project is located with a two mile radius of an AHFA project approved during 2014 and 2015 cycle that has not placed in service and is 90% or more occupied at the time of application. The radius must be determined by using a starting point at the centroid (geometric center) of the proposed project's site and measured using Geographic Information System (GIS) maps.

Point Scoring System – Addendum A

- Project Characteristics: (Section A.1.(i)(a), page 4): A car wash station was added to the 2-point amenity category. At a minimum, the car wash station must include a dedicated space, wall/ceiling boom with spray wand and fixed mount vacuum.

- Energy/Water Conservation and Healthy Living Environment (Section A.1.(ii)(c.), page 5): Four (4) points were added for EPA's Partnership Program "WaterSense" labeled water closet, faucets (bathroom and kitchen) and showerheads.

- Census Tract Location: (Section A.1.(vii.)(a.)(2), pages 7-8) Awarding points for application(s) solely on a majority-minority racial demarcation concerning the population census tract may

negatively impact urban revitalization efforts. This would be a concern especially in large cities where due to limited housing opportunities available for low income residents, the benefits of affordable housing in a particular neighborhood or census tract outweighs the possibility of increased minority concentration. Therefore, AHFA removed from the proposed Plan an award of points based on a project's location in a census tract where the minority population does not exceed 50 percent based on 2010 Census Summary File 1 tables.

The points for projects located in a census tract where the Median Family Income from the 2010 census data (2010 ACS 5 Year) is equal or above the following percentages (rounded down) of the county's 2015 Annual Median Family Income published by HUD was revised as follows:

- 1 point for 80% to less than 100%
- 2 points for 100% or more

- Applicant Characteristics (Section A.2.)(ii), pages 9-10): Points awarded to owners who have previous successful experience in development of multifamily housing since 2005 were reduced from 10 points to 5 points. The number of projects and units required for points were reduced from 10 projects/1,000 units to 5 projects/500 units.

- The points awarded for closing an AHFA HOME loan or receiving 8609's on an AHFA Housing Credit project were removed from the Plans.

- Points Lost - Existing AHFA-Funded Project(s) Approved and/or Placed in Service: (Section B. 1.)(i),(ii), page 10): Five (5) points (for each occurrence) will be deducted if an owner listed in the application made a change from an approved project's original application without prior written consent from AHFA. Five (5 points (for each occurrence) will be deducted if an owner listed in the application is not in compliance with and/or fails to meet a requirement specifically listed in any AHFA document(s), executed agreement(s) without prior written consent from AHFA.

- Points Lost – Non-compliance after the Initial On-Site Inspection (Section B.2.), page 11): Applicants with non-AHFA projects in the state and/or out-of-state will be subject to the same AHFA (Health and Safety, Unit, Site, Exterior and Common Area Deficiencies) requirements defined in Addendum D. The automatic penalty points will be deducted for each non-AHFA project in which AHFA (or AHFA's designated agent) has performed an on-site inspection in connection with an application being submitted during the current QAP or HOME Action Plan Year. The four (4) point threshold does not apply to non-AHFA projects.

Environmental Policy Requirements – Addendum B

- Clarifications providing additional information were made to the Environmental Policy based on the comments received. All AHFA requirements are now specified in the Environmental Policy Requirements.

Design Quality Standards and Construction Manual – Addendum C

- Reports and Inspections: (Section VIII, page 18): AHFA will engage a third-party construction consultant to review the final plans and specifications prior to construction for each approved project to ensure that it meets all applicable requirements of AHFA's Design Quality Standards and Construction Manual. The applicant/owner, project architect and general contractor will

certify that the project meets the federal Fair Housing Amendments Act, the Americans with Disabilities Act and all accessibility requirements at the time of the submittal of the final plans and specifications, the completion of the project and the issuance of the IRS Form 8609. In addition to the plans and specification review, AHFA has the right to inspect the project during construction, at the completion of construction and prior to the issuance of the IRS Form 8609. The applicant will be responsible for the actual cost of the work completed by AHFA designated consultants.

Compliance – Addendum D

- Penalty Scoring, Fees for Non-compliance and Suspension Criteria (Section II, pages 3-4): The automatic penalty point deductions will **not** be deducted from an applicant's score on their multifamily application(s) for funding in the current plan year's application cycle until the cumulative total of all automatic penalty point deductions collected during the previous year (January 1st through December 31st) are above four (4) points. If an applicant's cumulative total of all automatic penalty point deductions is five (5) points or more the total of **all** automatic penalty point deductions **will be** deducted from an applicant's score on their multifamily application(s) for funding in the current plan year's application cycle.

- Health and Safety Deficiencies (Section II.E.a.iv, page 6): Exposed electrical wiring or electrical hazards located in a locked area where the resident(s) cannot gain access will need to be repaired but will not cause a penalty point deduction.

Included is a chart (2016 Housing Credit Qualified Allocation Plan and HOME Action Plan Summary of Public Comments and AHFA Responses) 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.

2016 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
Housing Credit QAP					
	I. C. 1. Application Criteria	6	Terry Mount, DSI	I.C.1.) Omit requirement for telephone and cable letters. Many residents use cell phones in lieu of land lines. Some have phone, video, and internet through a cable company. It is inconceivable that phone and or cable would not be available on a site that meets other criteria. AHFA could consider requiring information on what phone, video, and internet services will be available after a project is selected for funding.	**Cable and telephone utility letters will continue to be required at the time of application. Land lines provide emergency services that may otherwise not be accessible.**
	I.C.1. Application Criteria	6	Amy Montgomery, Gateway	It has become more difficult and competitive to obtain cable and phone letters. Because so many options are available, AAHA believes that allowing applicants to obtain these letters AFTER award enables owners to negotiate the best possible services, costs, rebates, etc. for their site.	
	I.C.1. Application Criteria	6	David Morrow, Morrow Realty	A telephone availability letter should not be required to be submitted in the application package. Most residents use cell phone and the requirement for such a letter is outdated. This would allow applicants to spend more time on putting together a quality application instead of chasing down such letters.	
	I. C. 2. Application Criteria	7	Mark Straub, Pennrose Properties Dwayne C. Vaughn, Mobile Housing	4 % Bond - Multiple Awards A single application may be submitted for up to ten developments. These developments may be distributed throughout the City or County.	**Multiple applications may be considered under a single pooled bond transaction. However, due to the scattered sites, it is not feasible to submit multiple projects on a single application. Separate applications must be submitted for each site/project.**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
			Board		
	I.D. Application Fees	9-11	Amy Montgomery, Gateway	The itemized list of fees has been removed and replaced with a sentence that refers to the AHFA website for a complete list of fees. We were unable to locate such a list. The list of fees should be retained in the QAP or a direct link to the fee list should be provided so it is easily accessible.	**A complete list of fees (from notification of approval of awards through the extended use period) is located at the following link: http://www.ahfa.com/multifamily/multifamily_fees.aspx** **The following Multifamily Housing Revenue Bond application fee was added to the Plan:** **A $5,000 non-refundable fee must accompany the complete application submitted for consideration for a Declaration of Official Intent.** **The project inspection fee was increased from $2,000 to $5,000.**
	II. A. Application Cycle	11-12	Mark Straub, Pennrose Properties	It is recommended that AHFA consider the following language: AHFA may, in its sole discretion, allocate Housing Credits without the use of application cycles or the point scoring system to: • Any project(s) financed using Multifamily Housing Revenue Bonds as a single or pooled transaction. • Any project placed in service that has already received a Housing Credit allocation,	**AHFA will not amend or seek to interpret this comment without justification. Additional information regarding the Governor's designation should have been presented for AHFA's consideration.**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				has a final cost certification that indicates the need for an additional allocation, and has been approved for additional credits by AHFA. • Any project eligible for Housing Credits pursuant to any waiver, exception, program or other special action by the Internal Revenue Service. • Any project that must be funded to meet the nonprofit set aside requirement as specified in Section 42(h)(5) of Internal Revenue Code. • Any project specifically identified with the Governor's Special Designation.	
	II.C.5. & 6. Market Study and Environmental Site Assessment	13	Ann Marie Rowlett, Rowlett & Company, LLC	Market Study and Environmental Assessments due at initial application: Providing market studies and Phase I Reports at initial application is a hardship for developers as the final QAP is not released until December. Analysts need 2-3 months lead-time for completing reports (especially with environmental reports as the need for a Phase II can add additional time to complete). As a developer, we try to have our deal(s) ready to go as soon as possible but changes in the final QAP can cause a deal that was considered to be competitive, no longer feasible. Deals change and decisions have to	**The deadlines for submitting the market study and environmental site assessment for competitive applications will not change for the 2016 Plan.** **Multifamily Housing Revenue Bond applicants will be required to submit the Environmental Site Assessment prior to execution of the commitment.**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				be made AFTER the final QAP comes out. If there is an enviornmental issue found, then there is no time to complete a Phase II and the deal can't move forward which is costly for developers.	
	II.C.8. Design Quality Standards and Construction Manual	13	Richard Higgins, Lori Harris, Norstar Development	The Addendum references should be Addendum C, Addendum D, and Addendum E; Addendum B is the Environmental Policy.	**All Addenda referenced in the Plans are correct. Addendum A – 2016 Point Scoring, Addendum B – Environmental Policy Requirements, Addendum C – Design Quality Standards and Construction Manual, and Addendum D – 2016 Compliance Monitoring Procedures, Requirements and Penalty Criteria. There is no Addendum E.**
	II.C.9 Architect's Certification of Project Progress	13	Amy Montgomery, Gateway	The QAP should provide exceptions for the placement of foundation slabs or crawl spaces for projects that received a reservation letter in 2013 and 2014 where unforeseen delays have occurred. In such circumstances, consider requiring a certification from the architect that sufficient progress is being made to complete such projects by their respective completion dates.	**No exceptions will be made to the architect's certification for projects where unforeseen delays have occurred. All building foundation slabs or crawl spaces must be in place on projects that received a reservation letter for Housing Credits and/or HOME Written Agreement in 2013 and 2014.**
	II.C.11. Flood Certification	14	Tom Champion, Gulf Coast Housing Partnership, Inc.	C-11: Flood maps along the coast have been redrawn recently so that a great deal of property along the coast is now included within the 100-year flood plain. An example is Downtown Mobile that is in dire need of affordable housing. Downtown Mobile is now largely located in a 100-year flood plain.	**The Plan will be amended allow the acquisition/rehabilitation of an existing building to be located in a flood plain as long as acceptable evidence of flood insurance is provided at the time of application.**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				Since for Housing Credit Only applicants there is an exception for existing residential properties that provide evidence of flood insurance, we recommend this exception be extended to existing Certified Historic Buildings. This will promote both historic preservation and urban redevelopment goals in one of our major cities while not excluding them from the possibility of the much needed new housing.	
	II.C.12. Site Location	14	Sherry Atchison, Volunteers of America Southeast	The 2.5 mile radius of an AHFA project approved during 2014 and 2015 is restrictive in larger markets with high demand. We suggest reducing the radius to two (2) miles.	**The 2.5 mile radius restriction will be reduced to a 2 mile radius. The radius must be determined by using a starting point at the centroid (geometric center) of the proposed project's site and measured using Geographic Information System (GIS) maps.**
	II.C.12. Site Location	14	Andrew Bailey, Millennia Housing Development	The 2.5 mile radius rule is a great way to ensure adequate distribution of projects across the state, and protect the occupancy of those developments in your portfolio. The exclusion of rehabilitation projects that are well occupied is also a great policy decision.	
	II.C.12. Site Location	14	Tom Champion, Gulf Coast Housing Partnership, Inc.	C-12: In urban areas of denser population with high demand for affordable housing a 2.5 mile radius can and does emcompass multible sub-markets and is too broad a radius. We recommend reducing the radius from 2.5 to 2.0 miles. If this is not acceptable, than at minimum we recommend an exception based on population served, i.e.	

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				allowing a senior property to be constructed if the previously constructed property that is not placed in service or 90% occupied is a family property so as not to exclude specific poplulations in need of housing, particularly in densly populated urban areas.	
	II.C.12 Site Location	14	Mychal Cohen, National Housing Trust	The Alabama Housing Finance Authority (AHFA) should reconsider their restriction on rehabilitation projects within a 2.5 mile radius of other properties recently funded by AHFA. One possible revision would be to create an additional exception for properties with expiring state and local subsidies. The contracts on over 4,400 units of federally subsidized housing will be expiring in the next two years. Though some significant portion of these contracts will be renewed, Low Income Housing Tax Credits (Housing Credits) serve an important role in preserving those that are not. By restricting where this preservation can occur, AHFA risks losing a precious housing resource. Additionally, sometimes even the most blighted, high-vacancy developments can make successful preservation stories. One example of this is St. Dennis Apartments in Washington, DC, where an affordable property left in disrepair by a negligent	

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				landlord was saved by the hard work and dedication of the only remaining tenants, Eva Martinez and her two daughters. Partnering with NHT/Enterprise, the Martinez family helped to preserve and rehabilitate the building, ensuring the long-term affordability of 32 energy-efficient units for low-income families and individuals.	
	II.C.12 Site Location	14	Mychal Cohen, National Housing Trust	As mentioned in the previous comment and referenced in the attached *Figure 1**, there are significant amounts of federally-subsidized affordable housing units with expiring contracts in Alabama. These units represent significant housing resources for Alabama's most vulnerable residents. Additionally, preservation is significantly more cost effective than new construction. As the attached *Figure 2*** illustrates, over the past 3 years, rehabilitation projects have utilized less than a fourth of the tax credits per unit when compared to new construction projects. By creating a set-aside directed towards the preservation of at-risk affordable housing in the final 2016 QAP, AHFA demonstrates a strong commitment to preservation that helps meet the needs of Alabama's elderly, disabled, and low-income households. The	**Points are presently awarded for preservation of existing multifamily housing. A set-aside will not be added for preservation of at-risk affordable housing.**

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				Trust encourages AHFA to create a set-aside for the preservation and rehabilitation of existing multifamily rental housing in the final 2016 QAP.	
	II.D.8. Negative Actions	16	Amy Montgomery, Gateway	Termination of an application should not occur based upon "Notice to AHFA" of excessive, willful neglect or uncorrected non-compliance. Based upon this language, any individual would have the ability to cause any owner's applications to be dismissed simply by providing notice of non-compliance to AHFA, even is such notice is completely unsubstantiated. Termination should only occur if AHFA (or its designated representative), based on a site inspection which occurs under and conforms with the procedures outlined in the Compliance Policy, actually discovers (or verifies the reports of) such non-compliance. Therefore, change item D.8 to read: "AHFA making a determination of excessive, willful neglect or uncorrected (within , as applicable, the time required by AHFA or until settled) non-compliance on applicant's non-AHFA projects;"	**If AHFA receives a notice of a determination from a Federal, State or local regulatory authority or agency of significant and uncorrected non-compliance on an applicant's non-AHFA existing projects, AHFA may terminate the application.** **Point deductions will be added to the 2016 Plans for changes made to an approved project's original application without AHFA's written consent and for non-compliance and/or owner's failure to meet a requirement specifically listed in any fully executed agreement(s) without prior written consent from AHFA.**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	II. F. Developer and Builder Fees	20	Mark Straub, Pennrose Properties Dwayne C. Vaughn, Mobile Housing Board	Limits on Developer Fee Recommend that AHFA consider that for 4% LIHTC tax-exempt bond transactions the maximum developer fee shall be 25% of total development costs (less reserves). Any developer fee in excess of fifteen percent (15%) on the portion of the basis attributable to acquisition (before the addition of the fees) and fifteen percent (15%) of the portion of the basis attributable to new construction or to rehabilitation (before the addition of the fees) must be deferred and payable out of cash flow only after the property is placed in service and stabilized. This approach has been successfully implemented in Ohio and Tennessee. Below is recommended language:Limit on Developer's Fee 1. The sum of developer and consultant fees reflected in the development costs worksheet may not exceed twenty-five percent (25%) of total development costs. If the sum of developer and consultant fees reflected in the development costs worksheet exceeds the amount described, then all developer and consultant fees in excess of the amount prescribed must be reflected as deferred fees and included in the sources of permanent financing.	**The developer fee for multifamily bond transactions will remain fifteen (15) percent.**

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				2. If the developer and the contractor are unrelated, the deferred developer and consultant fees cannot exceed fifteen percent (15%) on the portion of the basis attributable to acquisition (before the addition of the fees), and cannot exceed fifteen percent (15%) of the portion of the basis attributable to new construction or to rehabilitation (before the addition of fees). 3. If the developer and contractor are related parties, then the non-deferred combined fees for the contractor's profit, overhead, and general requirements plus the devloper's and consultant's fees, cannot exceed fifteen percent (15%) of the portion of the basis attributable to acquisition (before the addtion of fees), and connot exceed twenty-five percent (25%) of the protion of the basis attributable to new construction or to rehabilitation (before the addition of the fees). 4. If the deferred developer and consultant fees are greater than 25% of the total development cost, then the application must include evidence satisfactory to THDA, in its sole discretion, that the deferred developer and consultant fees will be repaid and will not jeopardize the financial feasiblility of the development. 5. For purposes of this part, cash reserves are excluded from total development costs.	

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	II. F. Developer and Builder Fees	20	Dontrelle Foster, Housing Authority of the Birmingham District	To facilitate bond deals in Alabama, we request AHFA permit up to 25% developer fees on 4% bond deals so long as the developer fee is deferred and does not create an undue developer windfall. The complexity of bond projects justifies a larger fee.	
	II. F. Developer and Builder Fees	20	Mary E. Mayrose, The Housing Authority of the City of Phenix City	To facilitate bond deals in Alabama, we request AHFA permit up to 25% developer fees on 4% bond deals so long as the amounts over 15% is deferred and does not create an undue developer windfall. The complexity of bond projects justifies a larger fee.	
	II. F. Developer and Builder Fees	20	Andrew Bailey, Millennia Housing Development	Regarding developer fee for 4% projects. Some states have started to allow for additional developer fee (approximately 5%) for 4% projects so long as that fee is taken as deferred developer fee. In essence, this creates additional resources to make 4% deals feasible and creates a soft source of financing The additional developer fee could be tied to policy goals that further incentivize developers to pursue those targets.	
	II. F. Developer and Builder Fees	20	Andrew Bailey, Millennia Housing Development	Right now it appears that only RD projects are eligible for developer fee based on acquisition. We would like to recommend allowing for some level of developer fee on acquisitions that involve HUD resources.	**This section will be amended as follows: The developer fee cannot exceed fifteen (15) percent of the total amount of the acquisition of the property. The developer fee on RD projects will be capped at eight (8) percent of the total amount of the acquisition of the property.**
	II.J.8. Negative Action After Notification of	25	Amy Montgomery, Gateway	Change to read: "AHFA making a determination of excessive, willful neglect or uncorrected (within , as applicable, the time required by AHFA or until settled) non-	**If AHFA receives a notice of a determination from a Federal, State or local regulatory authority or agency of significant and uncorrected non-**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	Approval			compliance on applicant's non-AHFA projects;"	**compliance on an applicant's non-AHFA existing projects, AHFA may terminate the Housing Credit award.** **Point deductions will be added to the 2016 Plans for changes made to an approved project's original application without AHFA's written consent and for non-compliance and/or failure of the owner(s) to meet a requirement specifically listed in any fully executed agreement(s) with AHFA without prior written consent from AHFA.**
HOME Action Plan					
	III F. Uses of HOME funds	10-11	Rusty Bennett, 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 is much less expensive than the costs of	**Due to the decrease in HOME appropriations, HOME funds will continue to be leveraged with Housing Credits and other sources of funds to develop multifamily new construction housing developments containing no more than 56 units. Given the available resources, combining HOME funds with Housing Credits is the most efficient and effective method for developing affordable housing on a statewide basis.**

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				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. Uses of HOME funds	10-11	Sherry Atchison, Volunteers of America Southeast	Decouple HOME funds from LIHTC. Rural communities in need of smaller developments would benefit.	
	III. F. Uses of HOME Funds	10-11	Dontrelle Foster, Housing Authority of the Birmingham District	With the limitation of HOME funds, it is recommended that AHFA consider providing a dedicated source of gap financing to be used specifically to fill gaps for 4% tax-exempt bond transactions. This funding source will be available to developers on a competitive basis as a soft second loan, payable to AHFA from a portion of the property's available cash flow after first mortgage debt service and reserves. The payment of these soft loans will allow the agency to recycle the funds in future affordable housing transactions.	**If funds are available after the competitive application cycle; AHFA may consider an application under AHFA's Multifamily Housing Revenue Bond program for new construction application(s) that meets the HOME Plan, applicable Housing Credit Allocation Plan and Multifamily Housing Revenue Bond Policy.**
	III.F. Uses of HOME Funds	10-11	Mary E. Mayrose, The Housing Authority of	It is recommended that AHFA consider providing a dedicated source of gap financing to be used specifically to fill gaps for 4% tax-exempt bond transactions. This funding	

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			the City of Phenix City	source will be available to developers on a non-competitive basis as a soft second loan, payable to AHFA from a portion of the property's available cash flow after first mortgage debt service and reserves. The payment of these soft loans will allow the agency to recycle the funds in future affordable housing transactions. We request that AHFA match, on a 2-1 basis, other soft financing committed to projects up to a maximum of $2 million dollars per transaction.	
			Mark Straub, Pennrose Properties Dwayne C. Vaughn, Mobile Housing Board	Dedicated Source for 4% LIHTC Gap Financing With the limitation of HOME funds, it is recommended that AHFA consider providing a dedicated source of gap financing to be used specifically to fill gaps for 4% tax-exempt bond transactions. This funding source will be available to developers on a competitive basis as a soft second loan, payable to AHFA from a portion of the property's available cash flow after first mortgage debt service and reserves. The payment of these soft loans will allow the agency to recycle the funds in future affordable housing transactions.	
	III.F. Uses of HOME Funds	10-11	Rusty Bennett, LIHCA	LIHCA recommends that AHFA utilize HOME funds for activities other than new construction. Reason: The federal HOME program provides for eligible activities of homeowner rehabilitation, homebuyer	**Due to the decrease in HOME appropriations, expansion of the HOME eligible activities would result in a reduction of much needed affordable housing. AHFA continues to meet the**

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				programs, rental rehabilitation, 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 the "American Dream" of 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 issues of lower income homeowners, and create more decent and safe housing opportunities for individuals with low incomes.	**needs described through its down payment assistance, Habitat and other loan programs.**
A – Point Scoring System					
	Narrative	1	Amelia Johnson, TBG Residential	The 2016 QAP states that AHFA will achieve its housing priortity by allocating Housing Credits & HOME funds generally to only one project per county. We ask that AHFA reconsider this policy and allow the award of both a New Construction and Acquisition/Rehab properties in the same county. Acquisition/Rehab properties awarded credits do not add to the county's current housing stock. Aquistion/Rehab deals are also at a disadvantage in counties where a	**Generally, AHFA will fund one project per county. Given the continued need to provide decent, safe, and affordable rental housing statewide, it isn't appropriate for AHFA to exclude any county from consideration.**

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				PJ exists. PJs tend to award HOME funds to New Construction projects which affords those applications with Rent Affordability points that Acquistion/Rehab deals likely won't receive. The result is that if two applications are submitted in a PJ (1NC and 1A/R), the New Construction application will likely always get an award. For these reasons, we suggest that AHFA allow one New Construction award and one Acquisition/Rehab award in the same county or at the very least, allow this in counties or cities where a PJ exists.	
	Narrative	1	Jeff Rice, Rice Land & Development Corporation	Allow two or more applications to be funded within the same county if AHFA acquisition/rehab applications are involved. With the aging stock in the AHFA portfolio, it's important to assure that new construction applications do not impede the rehabilitation of existing AHFA housing stock.	
	Narrative	1	Celeste Stewart, ASM Property Management	As more and more AHFA tax credit (and tax credit/HOME) funded deals hit year 20, the need becomes greater to rehabilitate the HFA's aging portfolio. Per the proposed 2016 QAP, the points gained by paying down HOME loans and/or requesting soft funding from 3rd parties to facilitate the rehab of the existing portfolio, will often times fall short scoring against applications in municipalities that issue city/county HOME funds. Recent changes to the QAP have addressed this issue to some extent but major obstacles still stand in the way. These municipalities have a vested interest in seeing new development	

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				and increasing their tax base and will often times not consider rehabs as a funding option. The points received for these funds generally leads to an overwhelming advantage to the new development receiving them. In order to ensure that AHFA's existing properties are protected, I would like to propose that AHFA allow funding of more than 1 application per county, by allowing counties to have a new construction and rehab development funded in the same cycle, if both projects would have been funded on their own merit.	
	Narrative	1	Nigel Roberts, City of Mobile	In order to achieve a balanced distribution of Housing Credits and HOME funds throughout the state, AHFA has generally allocated only one project per county. We believe major metropolitan areas of Alabama have a far greater need for new and upgraded affordable housing due to it's age and instability, yet it remains in high demand. The two largest counties in the state, Jefferson and Mobile, have two sources of federal funds. Although these funds are very limited and insufficient to drive new development, their availability creates more competition for one (1) single allocation of 9% credits. Jefferson and Mobile Counties alone comprise more than 22% of the state's	

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				population and these are the only two counties in the State with two participating jurisdictions receiving HUD funding. Therefore, we request that the AHFA permit up to two (2) LIHTC allocations for Mobile and Jefferson Counties by altering the QAP language to allow Housing Credits for up to two (2) projects per county for the high-population counties of Jefferson and Mobile.	
	Narrative	1	Rusty Bennett, LIHCA	LIHCA would like for AHFA to reconsider its current policy of allocating only 1 project per county to allow the award of both a new construction and an acquisition/rehab within the same county. Reason: The proposed policy change will ensure that new properties are being built in higher income neighborhoods while also ensuring that existing properties, which are often located in more distressed communities, are being preserved.	
	Narrative	1	Ann Marie Rowlett, Rowlett & Company, LLC	Rehab of expiring HOME projects should be excluded from the one project per county guidelines as the AHFA has made them a priority and the projects will not be adding additional housing stock to the counties in which they are located.	
	2. Awards Selection	1-2	Kevin Buckner, TBG Residential	#2 of the tie breaker should be removed. Developers are having enough trouble with the increase in construction cost, so forcing developers to submit unrealistic numbers for "scoring purposes" either supports a lessor quality project or will just force developers to increase their final construction numbers after awards. #3B of the tie breaker on paper	**The purpose of tie breaker #2 is not intended, in any way, to force "developers to submit unrealistic numbers", which might constitute fraud and/or misrepresentation based on the signature certifications required at the time of application submission. The Design Quality Standards will not permit a lessor**

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				seems fair, but often times in the larger cities receiving building permits just takes longer. (We appreciate that last year's QAP gave us more time to receive our building permits, but even with that extension, issues happen within a project that can not be expected and are clearly out of our control.) We do appreciate AHFA taking out last year's rule of "whatever project is furtherst away from an exisiting LIHTC project".	**quality or cheap project to be built.** **Regarding tiebreaker #3, we appreciate your comment, but are unclear as to what specific change you are requesting.** **Thank you for agreeing with our removal of the tiebreaker involving a project's distance from existing LIHTC projects.** **The Plans currently award points for leveraging other resources.**
	2. Awards Selection	2	Diane Torres, Penrose Properties	Instead of developments being evaluated based on the quality of the project or the benefits in their community or how they might support the lowest-income families, the awards are based on how inexpensively a project can be developed. This tie breaker creates and incentive to build the cheapest product possible, rather than an incentive for building higher quality energy-efficient products. This tie breaker should be removed. AHFA should consider a tie breaker, or create scoring to encourage leveraging additional funds to spread the Housing Credit further.	
	2. Awards Selection	2	Mark Straub, Penrose 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	

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				community or how they might support the lowest income families, the awards are based on how inexpensively the project could be developed. Unfortunately, the tie-breaker creates an incentive to build the cheapest product possible instead of an incentive for building higher quality energy efficient products. In lieu of cost per unit it is recommended that the current tie breaker be removed and AHFA might consider projects that provide leverage or support other development affecting the area. Leveraging Other Funds - 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	

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				residents, and 4.) demonstrate local support	
	2. Awards Selection	2	Terry Mount, DSI	If a tie remains, priority will be given to the owner who requested the least amount of housing credits per unit." Either omit this tie breaker or move down in the list of tie breakers to be used. This could result in much cheaper built and finished units than has become the normal for AHFA projects.	
	2. Awards Selection	2	Amy Montgomery, Gateway	AAHA believes that using the "least amount of credits per unit" as the second tie breaker is not the best way to prevent ties. This causes applicants to seek to request funds that are too small to make deals feasible or are otherwise not up to the quality standards that Alabama has enjoyed over the years. This is evidenced by other states who have used this methodology to negative results (Tennessee and North Carolina). AAHA recommends moving item number 2 of the tie breaker to below item 6 on the tie breaker.	
	2. Awards Selection	2	LaKenya Bend, HABD	Under the tie breaker section, I would like to request that the tie breaker that gives priority to the owner who requested the least amount of housing credits per unit be removed. This tie breaker has the potential to encourage developers to build cheaper units and have a negative long term effect on neighborhoods. AHFA has a reputation of requiring quality developments under the tax credit program and this tie breaker could potentially diminish the high standard of building under this	

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				program in the state of Alabama.	
	2. Awards Selection	2	David Morrow, Morrow Realty	Delete tiebreaker No. 2 (priority will be given to the owner who requested the least amount of Housing Credits per unit) or move it down and make it the last tiebreaker. Including this tiebreaker would cause applicants to seek to request funds that are too small to make deals feasible or are otherwise not up to the quality standards that Alabama has enjoyed over the years. This is evidenced by other states who have used this methodology to negative results.	
	4.. Awards Selection (4)	2	Amber Courtney, The City of Birmingham	This benefits a revitalization plan property so there should be some benefit recognized by AHFA for awarding this type of project.	**AHFA will not seek to interpret this comment. Additional information should have been provided.**
	1.)(i)(a) Project Characteristics	3	Kevin Buckner, TBG Residential	Please add in a least one additional 2-point categories. A car washing station or bike racks would be greatl substitutes to what is currently available.	**A car wash station will be added to the 2-point amenity category. At a minimum, the car wash station must include a dedicated space, wall/ceiling boom with spray wand and fixed mount vacuum.** **Points will not be awarded for providing bike racks. Bike racks will remain an optional amenity.**
	1.)(i)(a) Project Characteristics	3	John Reeves, Olympia Management, Inc.	Re: Clubhouse/Community Building/Community Room - community TV with cable or satellite. We would like to substitute a streaming service i.e., Netflix, Hulu, Amazon Prime, etc., in lieu of cable or satellite service. We feel these options are more logical and affordable. Most all of these properties provide tenant services such as "movie night". With the different apps on	**The clubhouse/community room must have, at a minimum, a TV with a 42 inch screen with cable, satellite or streaming services, and wireless internet.**

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				the Smart TV's, Blu-ray players and game consoles you can watch news, weather and other TV shows. Netflix and other apps have thousands of movies, documentaries and TV shows for as little as $10.00 per month. The equivalent for cable or satellite would be adding premium channels which are much more costly.	
	A.1)(i)(a) Project Characteristics	3	Rory McKean, McKean & Associates, LLC	Clubhouse/Community Building/Community Room: 1 washer and 1 dryer for every 15 units is excessive. The standard for affordable housing is between 1 per 20/25 units in many other states. Community washers and dryers get very little use according to developers.	**There will be no changes to the required number of washer and dryers.**
	A.1)(i)(a) Project Characteristics	3	Rory McKean, McKean & Associates, LLC	Covered Picnic Pavilion: Recommend changing to: "(with a minimum of two (2) picnic tables with attached bench seating and two (2) grills)". This clarifies type of tables and seating.	**The tables for the covered picnic pavilion will be defined as "picnic tables with attached bench seating".**
	A.1)(i)(a) Project Characteristics	3	Rory McKean, McKean & Associates, LLC	Recommend adding a Swimming Pool (Below Grade) for 4 points. Swimming pools are very costly and should be considered an amenity for points.	**Points will not be awarded for providing a swimming pool. Swimming pools will remain an optional amenity.**
	A.1)(i)(a) Project Characteristics	3	Rory McKean, McKean & Associates, LLC	Gazebo: Add: (with a minimum of one (1) picnic table with attached bench seating). This is for clarification.	**A minimum of one (1) picnic table with attached bench seating will be added to the Gazebo.**
	A.1)(i)(a) Project Characteristics	3	Tom Champion, Gulf Coast Housing	We recommend the addition of a 4 point amenity "Rooftop deck with sitting areas". Particularly in dense urban areas and/or the rehabilitation of Historic Buildings there is	**Two (2) points will be awarded for a rooftop area with one (1) picnic table with attached bench seating for every fourteen (14) units proposed in the project.**

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			Partnership, Inc.	not sufficient green space for outdoor fitness areas, pavilions and such so we consider this as a nice substitute amenity.	
	A.1)(i)(a) Project Characteristics	3	Tammy Stansbury & Denis Blackburne, The Woda Group, Inc.	We suggest adding an organic garden area. This amentity is vital to both senior and family facilities as it offers an opportunity to enhance social interaction and promote a healthier lifestyle and reduce the cost of grocery's. A typical garden can be approximately 36' square, contain several individual raised beds that are accessed on all sides via paved pathways. The rasied beds are constructed using pressure treated timbers. A water facuet would also be installed for watering the gardens. The amenities for senior facilities are very limited as currently structured. Another amenity to offer seniors are a craft room or billard room/corn hole.	**Points will not be added for providing an organic garden area. This will remain an optional amenity.**
	A.1)(i)(a) Project Characteristics	4	Rory McKean, McKean & Associates, LLC	Picnic area with grills: Recommend revising to "… one (1) picnic table with attached bench seating…"	**The table for the picnic area with grills will be defined at a "picnic table with bench seating".**
	A.1)(i)(b) Project Characteristics	4	Rory McKean, McKean & Associates, LLC	Add "aluminum" before "thermal break"	**No changes will be made.**
	A.1)(i)(d) Project Characteristics	4	Rory McKean, McKean & Associates,	Add "with aluminum" before "thermal break"	**No changes will be made.**

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	A.1)(ii) Energy Conservation and Healthy Living Environment	5	Rory McKean, McKean & Associates, LLC	Revise title to: Energy/Water Conservation…	**The title of this section will be will be revised to: "Energy/Water Conservation and Healthy Living Environment".**
	A.1)(ii)(c) Energy Conservation and Healthy Living Environment	5	Rory McKean, McKean & Associates, LLC	Delete high efficiency water heaters for points. 0.95 EF is now the industry standard. Water heaters of less efficiency are not manufactured as of April 2015.	**High efficiency water heaters with a 0.95 EF minimum will be moved from a point scoring item to the Design Quality Standards and Construction Manual.**
	A.1)(ii) Energy Conservation and Healthy Living Environment	5	Rory McKean, McKean & Associates, LLC	Add another item: "4 points will be given to provide LED light fixtures and/or LED bulbs at all apartment unit interiors and porch or entry where applicable." This would include the installation of a 4 ft. linear LED fixture at the Kitchen in lieu of a 4 ft. flourescent fixture as required under Kitchen standards.	**LED light fixtures and bulbs will remain an allowable upgrade. Points will not be awarded for LED fixtures and bulbs.**
	A.1)(ii) Energy Conservation and Healthy Living Enviornment	5	Rory McKean, McKean & Associates, LLC	4 points will be given to provide water conservation measures. This would include the following: 1. "Water Sense" labeled water closet with a maximum of 1.28 gallons/flush. 2. "Water Sense" labeled lavatory faucet with a maximum of 1.5 gallons/minute. 3. "Water Sense" labeled shower head with a maximum of 2.0 gallons per minute. 4. "Low Flow" Kitchen faucet with a maximum of 2.0 gallons/minute.	**Four (4) points will be added for EPA's Partnership Program "WaterSense" labeled water closet, faucets (bathroom and kitchen) and showerheads.**

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	1.)(iii)(a) Rent Affordability	5	Kevin Buckner, TBG Residential	Please add language that allows other types of subsidies. Developers or AHFA cannot always anticipate where additional funding might come from. If there is a funding source that helps the project and meets the intent of the QAP then points should be awarded to the project even though they are not specifically on the list.	**AHFA encourages the use of other funding sources. However, points are not awarded for sources other than those listed in the Plans. AHFA is open to expanding the funding sources included in the Plans, but specific sources must be identified and detailed information on each proposed source must be provided to AHFA for consideration no later than during the public comment period for each Plan. AHFA adds additional and/or new subsidies during the commenting phase only.**
	1.)(iii)(a) Rent Affordability	5	Amelia Johnson, TBG Residential	For the Rent Affordability points in this section, each of the points available offers a range of subsidy dollars per unit of $4,000 (or $3,999). We think this range is too broad for the 5,6 and 7 point categories, and it does not incentivize the applicant to obtain the maximum subsidy in each category. The 5,6 and 7 point ranges of subsidy dollars per unit should decrease as the points increase. For example, if one applicant is able to obtain $16,000/ unit in subsidy and another applicant is able to get $12,001/ unit in subsidy, both applications would receive the same number of points, but the total subsidy each applicant obtained varies greatly. For a 56 unit property, the subsidy could be either$ 672,056 or $896,000. Even despite the number of units, one is obviously more difficult to obtain than the other, yet both have the same point value while having a $223,944 difference in subsidy value. Our	**No changes will be made to the Rent Affordability section of the Plan.**

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				suggestion is to decrease the range of subsidy per unit for the 5, 6 and 7 point categories to a range of $2,000. (5 points : $8,001-$10,000; 6 points: $10,001-$12,000; 7 points: $12,001-$14,000, etc.)	
	1.)(iii)(a) Rent Affordability	5	Quisha Riche, Huntsville Housing Authority	The QAP draft provides up to 7 points for Rent Affordability based on a commitment of over $16,001 per unit in additional subsidies from approved sources. This level of subsudy is critical to support families who fall into the very low range of the AMI. The demand for housing for very low-income families is significant in the State of Alabama. These points are essential to support the development of affordable units for these families. These points will also serve to increase the amount of available affordable housing. We fully support the level of Rent Affordability subsidies provided in the draft QAP and recommend that this section remains unchanged.	
	1.)(iii)(a) Rent Affordability	5	Quisha Riche, Huntsville Housing Authority	Leveraging additional funding provides for stronger and more effective developments. Leveraging certain funding sources also demonstrates project support. It is recommended that AFHA consider adding a scoring criteria that provides for up to four (4) points for securing leverage from City, State or Federal funds per unit: 1 point --> $5,000 per unit 2 points -> $8,000 per unit 3 points -> $10,000 per unit 4 points -> $12,000 per unit These additional points will go to developers	

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				who secure funding from sources	
	1.)(iii)(a) Rent Affordability	5	David Morrow, Morrow Realty	The subsidy point spread is too large. Generally, private developers can only get smaller per unit values associated with the FHLB's AHP program. Please revise as follows: 7 points - $10,001 or more per unit 6 points - $8,001 to $10,000 per unit 5 points - $4,000 to $8,000 per unit	
	1.)(iii) Rent Affordability	5	Penny Ayers, PSA Enterprises, LLC	Please consider adding COCC Funds to Addendum A, Section A (iii) Rent Affordability. COCC is a source of funds that all housing authorities have due to HUD requiring them to go to an Asset Management model about 8 to 10 years ago. The housing authortity is funded and required to hava a Central Office Cost Center, or, COCC, which is made up of the Director and key oversight staff. The COCC is not funded by HUD, rather, they charge a fee for administrative oversight, such as, bookkeeping and management fees. Due to the fact that they are not direct HUD funds, they are defederalized. Every housing authority is free to choose what they do with these funds. Housing Authorities welcome using these funds in partnership with City funds. This allows Cities to play an important role in bringing affordable housing to their area. In effect, these funds would be a loan to the development, having a very low interest rate and payable through annual debt service throughout the compliance period. We would ask that AHFA give this request	

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				consideration, as it would be helpful for all developers to seek this type of additional subsidy.	
	1.)(iii) Rent Affordability	5	Sam Johnson, Arbor Valley Development	Rent Affordability - HUD's Rental Assistance Demonstration (RAD) program is an exchange of operating and capital funds for a HAP contract. The end result is a project-based Section 8 development that can take on debt. Existing project-based Section 8 developments should be considered the same as PHAs going through the RAD process. The "addition subsidy" would include the incremental permanent debt the property takes on (new mortgage less existing mortgage to be paid off)	
	1.)(iii) Rent Affordability	5	Dwayne C. Vaughn, Mobile Housing Board	Choice Neighborhood, Manufacturing Communities Designation & RAD Developments It is recommended that projects that have been awarded HUD Choice Neighborhood grants, US Economic Development Administrations Manufacturing Communities Designation or RAD awards by HUD should be prioritized. With that in mind, the following language is recommended: Five (5) points will be awarded for projects that have been awarded Choice Neighborhood grants (providing the grant	

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				award document) or Manufacturing Communities Desgination by the US Economic Development Administration, and three (3) points will be awarded for projects that have been provided RAD awards (an executed CHAP agreement).	
	1.)(iii) Rent Affordability	5	Dwayne C. Vaughn, Mobile Housing Board	Currently, the draft QAP provides up to 7 points for Rent Affordability based on a commitment of over $16,001 per unit in additional subsidies from various approved sources. This section is critical as many developers tend to focus on providing housing for those at near 60% of AMI instead of for very low-income families as the project won't be able to support very low-income families. This level of subsidy is essential to support the poor in Alabama. Last year, Governor Bentley noted that 1 in 4 children in Alabama lives in poverty. The demand for housing for the very low-income families is significant in the State as an astounding 19% of the State's adult population is living below the poverty level. At the same time, the City of Mobile, a fairly industrialized city, has a poverty rate of approximately 20%. These are staggering numbers, and the Rent Affordability scoring is essential to	

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				redeveloping affordable units for the low and very low-income families of the State. We fully support the level of Rent Affordability subsidies provided in the draft QAP and recommend that this section remain unchanged.	
	1.)(iii) Rent Affordability	5	Terry Mount, DSI	Recommend that the AHFA narrow the range for each level of funding for points. Example, In lieu of 4,000 to 8,000 make it 4,000 to 6,000. This would encourage developers to get higher amts of subsidy rather than minimums. Consider rolling these levels of subsidies and points back to previous 2015 level. Require that all subsidy funds remain in the deal. It is possible now that a source that only receives about 300,000 in HOME a year could give a commitment for twice that amount with no hesitation as only half that amount is required to stay in the deal. Subsidy as a permanent source of funding is what leverages AHFA resources, not construction sources.	
	1.)(iii) Rent Affordability	5	Amy Montgomery, Gateway	AAHA believes that the Rent Affordability gives unafir advantage to PHA's who are generally the only ones who are able to get the higher per units funds. Generally, private developers who are not PHA's can only get smaller per unit values associated with the FHLB's AHP program. AAHA recommends AHFA go back to the same dollar amounts as	

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				last year; i.e., 7 points = $10,001 per units, 6 points = $8,001 - $10,000 per unit, etc.	
	1.)(iii) Rent Affordability	5	Tammy Stansbury &Denis Blackburne, The Woda Group	Rent Affordability - The increase in amount per unit is quite difficult to achieve, considering the lack of soft funds that are available. We suggest that amount stay the same as last year. 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 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.	
	1.)(iii) Rent	5	Andrew	Soft funding is difficult to find and seems to	

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	Affordability		Bailey, Millennia Housing Development	be well incentivized here to meet the policy goal of rent affordability. Another strategy that we would like to recommend is to provide incentives for rehab projects that have long term project based rental subsidies, which cover a portion of rent payments for residents. This is particularly important for families with children and senior populations who may not be able to afford even 60% AMI rents without assistance.	
	1.)(iii) Rent Affordability	5	Mark Straub, Pennrose Properties	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.	**It is an application threshold requirement that the applicant must have site control as evidenced by a sales contract, purchase option or long-term leasehold. Points will not be awarded for a long-term ground lease.**
	1.)(iii) Rent Affordability	5	Mark Straub, Pennrose Properties	Off-Site Improvement, Amenity and Facility Investment It is recommended that AHFA consider the following language: An Applicant may earn up to three (3) points if an unrelated third party (foundation, trust,	**Points will not be awarded for off-site improvements.**

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				and/or government) provides an investment of resources that will result in off-site infrastructure improvements; the development of parks, green space, and shared amenities; and/or recreational facilities. This investment in "off-site" improvements must be on property adjacent to the proposed project site and serve the tenant base for the subject project. Points will be awarded according to the following scale: Investment amount at least 15% of TDC = 3 Points Investment amount at least 10% but less than 15% of TDC = 2 Points Investment amount at least 5% but less than 10% of TDC = 1 Point The proposed improvements, amenities and/or facilities must be performed in conjunction with the project. The development cost and source of funding associated with the development of the improvements, amenities and/or facilities must be mutually exclusive of the development cost and sources of funding for the subject property. The cost for the	

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				improvement must be paid in full by the unrelated third party. Examples of third party improvement, amenity, and facility investment of resources include, but are not limited to, the following: 1. Construction of off-site or on-site access road which is required for access to the property; 2. Development of parks, green space or walking trails on a master plan development site; 3. Development of YMCA, youth center, senior center, or comparable community center; and/or 4. Construction of sidewalks or streetscape adjacent to the property. Third party investments that are community wide in scope or part of the community local action plan will not be eligible for points in this section. The applicant must provide documentation to include; the written commitment of funds, detail on the source of funding, the full amount of the investment, and the timeline for completion.	
	1.)(iv)(c) Tenant	6	Terry Mount,	Please add an additional 1 point item or omit	**No changes will be made to this section of**

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	Needs		DSI	from scoring. Currently you must choose (a.) or (b.) and each of (c.), (d.), & (e.) to obtain the 4 points in this section so the only actual choice is family or elderly. If the AHFA desires 100% elderly or 15% 3 Bedrooms, then require that you choose between family with 15% 3 bedrooms and elderly and require 100% elderly. Then simply require all of the following 3 items.	**the Plan. For clarification purposes, family projects are only eligible for the points if fifteen (15) percent of the units have three (3) bedrooms.**
	1.)(iv)(c) Tenant Needs	6	Kevin Buckner, TBG Residential	(c) offering 1 point to set-aside 5% of the units for individuals with disabilities or homeless is not wrong. The issue is that if AHFA is targeting certain populations within this population, then it really will be difficult for this to work without support from outside supportive services, availability of vouchers and in some case on-site staff that is trained. AHFA will need to monitor each project's outreach program knowing that it will be difficult for that project to meet the needs of the intended population. Perhaps awarding points in a separate set-aside within the non-profit set aside for owner's that have experience is a better way of handling this important issue.	**Since the needs of individuals with disabilities and/or the homeless are a statewide issue, AHFA believes that this incentive should be applicable to ALL applicants.** **Further guidance regarding supportive services will be provided in the application instructions.**
	1.)(iv) Tenant Needs	6	Quishe Riche, Huntsville Housing Authority	Families that need affordable housing also require supportive service to enable them to be successful tenants and move towards self-sufficiency. These supportive services include but are not limited to self-sufficiency training, healthcare, transportation,	

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				educational training, job training, childcare, etc. The key is having a resident services coordinator or case manangement services that can connect families with these much needed resources and to locate available services. As such, it is recommended that AHFA consider including providing two (2) points in scoring for projects that include resident services coordinators or case management to support low income families so they can transition to self-sufficiency.	
	1.)(iv) Tenant Needs	6	Rusty Bennett, LIHCA	LIHCA recommends that AHFA include incentives in the QAP to 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 stability. Permanent supportive housing not only seeks to house these populations, but provides supportive services to ensure housing stability. 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	

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				prioritizing permanent supportive housing, AHFA would help to reduce the number of homeless and extreamely rent burdened individuals and families living in Alabama.	
	1.)(iv) Tenant Needs	6	Tammy Stansbury & Denis Blackburne, The Woda Group	Tenant Needs - Setting aside 5% of the total units for tenants with disabilities or homeless could easily be achieveable, provided that units do not have to sit vacant if there are no tenants available or on the waiting list that meet that criteria. Keeping units vacant for a lengthy period of time will have negiative finanical impacts. Other states that have this requirement frequently couple it with 811 or other assistance, and require that a unit be held vacant for no more than 30 days. Some states are requiring that units set-aside for individuals with disabilities or who are homeless and cannot find tenants to fill a vacant unit, can lease that unit to households with incomes at 50% or below AMI until another unit becomes available and a tenant who is disabled or homeless is identified.	
	1.)(iv) Tenant Needs	6	Rusty Bennett, 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	**The benefits of these types of services should be marketed directly to the project owners and managers. Participation should be strictly voluntary.**

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				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. When the 2011 tornadoes struck, there was no one list of all of the affordable housing rental units and, as a result, disaster recovery was stalled due to the inability to find available rental housing for individuals and families that were displaced by the storms. 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 on the site), renters (who can search free of charge), but also in times of disaster when housing must be located quickly and efficiently.	
			Terry Mount, DSI	Allow points in Addendum A for the AAHA Scholarship Program	
			Amy Montgomery, Gateway	AAHA wishes to encourage scholarship awards for residents of tax credit developments in Alabama. As such, AAHA recommends that three points be given to the following: "Participate in a non-profit collage scholarship fund, which is tax exempt under Section 501(c)(3) of the	

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				Internal Revenue Code, as amended, primarily targeting to qualified tenants of affordable housing and their dependents (a "Scholarship Fund"), through a commitment to make annaul contributions of at least $10 per unit per year for the 15 year compliance period. The Scholarship Fund must have been in existence and active for at least five years, cannot have more than 20% of its directors affiliated with the applicant, and applicant must certify that, during the most recently concluded annual period, the amount of scholarship grants as a percentage of all expenditures (including fundraising and administrative expenses) exceeds 80%.	
	1.)(iv) Tenant Needs	6	Rusty Bennett, LIHCA	LIHCA applauds and appreciates the 1 point each incentive for 1) developers who create 3 or more bedroom units for large, lower-income families, and 2) 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.	**Insufficient information was provided for AHFA to consider awarding additional points for set-asides to the Plan for "those who are most vulnerable".**
	1.)(vi) Project Type	6	Jeff Rice, Rice Land & Development	Allow the four (4) points for HOME paydown to continue into future years so that	**The Plan is revised annually. Therefore, AHFA cannot guarantee that this section of the Plan will not change in the future.**

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			Corporation	the advantage for reducing the mortgage balance is not lost in the current cycle year.	**HOME loan pay downs cannot be carried forward into future application if the project is not selected for funding in the current year. This section of the Plan will not be revised.**
	1.)(vi) Project Type	6	Celeste Stewart, ASM Property Management	In order to encourage HOME loan pay downs, allow the 4 points received for the pay down to be carried forward to future applications if the project is not selected in the initial year it is submitted.	
	1.)(vi) Project Type	6	Ann Marie Rowlett, Rowlett & Company	Points for Rehab of Existing AHFA HOME Loan: The points for this category should be increased in order for HOME rehab deals to truly be competitive. Most HOME deals are located in rural areas where incomes are low and the minority polulation is high. Any new construction project in a 3pt AMI Census Tract and a 4pt Minority Tract will outscore a HOME rehab project. Additionally, HOME deals should not count against developer caps. HOME deals are very hard to make work financially because of the handicaps mentioned previously. Rents cannot be raised enough to repay a large permanent loan and repay the HOME loan. The budgets on these projects are extremely tight and leave little room for profit to the contractor and other third party partners, much less developer fees. Finally, because of the financial hardships involved with trying to rehab an existing HOME deal, requiring 30% payment	

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				of the HOME loan just to qualify to apply for additional credits is cost prohibitive. The requirement to pay down the HOME loan to reapply for tax credits should be eliminated or drastically reduced and the remaining HOME loan should be refinanced as part of the overall recapitilization of the project to help with feasibility.	
	1.)(vi.)(a.) Project Type	6	Richard Higgins & Lori Harris, Norstar Development	Awarding points in the QAP for repayment of AHFA HOME loans in whole or in part provides and incentive to applicants with outstanding HOME loans to return funds to AHFA thereby increasing resources available for additional affordable housing units. AHFA is then able to loan these funds to new applicants and spread limited resources further. Providing incentives for actions that increase AHFA resources makes sense; however, the incentive should not disadvantage applicants who are not requesting HOME funds. Those applicants seeking only Housing Credits should not be impacted by incentives intended to increase the pool of HOME funds available for distribution. In order to apply the incentive in a manner that both encourages repayment of AHFA HOME loans and does not negatively impact applicants not seeking HOME funds the incentive should be employed as a tie-breaker – perhaps the first tie-breaker – in	

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				determining which applications will receive HOME funding or provide points for purpose of making HOME awards. The additional points could then be dropped from the remaining HOME applicants' scores for purposes of scoring Housing Credit applications. Alternatively, the impact of the HOME points should not be further magnified by permitting applicants seeking funds for rehabilitation of an existing AHFA HOME funded project to receive points under both Project Characteristics and Applicant Characteristics for the same HOME loan repayment. Under Section A.1.)(vi.)(a), 4 points will be given for the rehabilitation of an existing AHFA HOME funded project. The proposed project must have repaid 100% by the maturity date or have paid 30% or more of the HOME loan (principal and interest) and have been approved by AHFA for an extension of the outstanding HOME balance. And under Section A.2.)(v), A maximum of 4 points will be given to an owner listed in any application for the repayment of an existing HOME Loan. In order to avoid double counting points for the same funds repaid to AHFA, points under these two sections should capped at 4 points	

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				in the aggregate. Based on the foregoing, we recommend the following language be added to the end of A.1.)(vi.)(a.): No more than 4 points in the aggregate will be given under this Section 2.)(v) and Section 1.)(vi)(a.).	
	1.)(vi) Project Type	6	Tammy Stansbury & Denis Blackburne, The Woda Group	Project Type - We recommend that in addition points are given to developments that have been abandoned and have an adverse effect on the community but can be rehabbed to be a vital asset to the community again. This is extremely important to downtown district areas and areas in need of revitalization.	**Point incentives for preservation are currently in the Plan.**
	1.)(vi) Project Type	6-7	Mark Straub, Pennrose Properties	Phased Developments It is recommended that AHFA consider the following language: Four (4) points will be awarded to Applications if the proposed project is part of a Phased Development in which one or more phases received an allocation of 9% tax credits within the past five (5) funding rounds. Projects that AHFA determines are adjacent (as opposed to being Phased Developments) are not eligible for points. AHFA will look to the underlying project concept to determine whether the community	**Phased developments will not receive preference over other types of housing.**

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				was originally designed as one development with different phases. A "Phased Development" means one tax credit project that will be developed in several adjacent phases with different allocations of Credits under common planning documents. The common planning document(s) may include parks, green space and shared amenities between the different phases or may include scattered-site development. Each phase of the property should have common ownership entities. A Master Plan with complete project concept showing all phases along with documentation showing City or County approval of the Master Plan must be submitted.	
	1.)(vi)(b) Project Type	7	Tom Champion, Gulf Coast Housing Partnership, Inc.	The Alabama Historic Rehabilitation Tax Credit program sunsetted in 2015. While we hope it will be put back in place in future legilsative sessions, the language should be updated to read "provides sufficient evidence that the project qualifies for the Alabama Historic Rehabilitation Tax Credit or the Federal Historic Rehabilitation Tax Credit. The State Historic Preservaton office must approve all nominations and Part II submissions to NPS so State control of this process remains.	**This section will be revised as follows: One (1) point will be given for rehabilitation of existing buildings that provide evidence that the project qualifies for the Alabama Historic Rehabilitation Tax Credit or the Federal Historic Tax Credit."**
	1.)(vi)(c) Project Type	7	Carlen Williams, Arlington	The 5 available points for Project Type clearly favor preservation of affordable housing, which is an important goal. API	**No changes will be made to the points awarded for preservation. Four (4) points are awarded for preservation of**

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			Properties, Inc.	recommends increasing the 1 point available under (vi)(c) to 5 points to encourage preservation of properties not previously funded by AHFA.	**AHFA HOME projects, which requires pay down or payoff of those loans. Those funds are reallocated to other projects to develop additional affordable housing. The AHFA HOME projects are not eligible for the subsidy points, like other preservation projects.**
	1.)(vii) Location	7	Carlen Williams, Arlington Properties, Inc.	In furtherance of the goal of preserving affordable housing, API recommends that the 10 points available under Location, Points Gained for Site Selection, Neighborhood Characteristics automatically be awarded (on a sliding scale) to projects outside the compliance period that were originally developed with LIHTC and still owned by the original developer. There is precedent for this preference as SC awards points to this type of project based on an occupancy rate sliding scale. For instance, AHFA could include language similar to the following: "Points will be given to the preservation of an existing development assisted with tax credits in which the initial 15 year compliance period has expired. The existing development must have been continuously operated throughout the initial 15 year period without further financial assistance following the issuance of 8609s from the Authority to include additional tax credits, HOME…or any debt restructuring. The development can have no outstanding compliance monitoring issues at the time of application submission. Current occupancy rate at development: a) 95-100% occupied; b) 90-94.999% occupied;	**Points will not be awarded automatically to projects outside the compliance period that were originally developed with Housing Credits and still owned by the original developer.**

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				c) 85-89.99% occupied". This appears to be a great way to prioritize preservation of affordable housing that is successful, viable and desirable to residents.	
	1.)(vii)(a)(2) Census Tract & Minority Population Location	7	Mychal Cohen, 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	**Awarding points for application(s) solely on a majority-minority racial demarcation concerning the population census tract may negatively impact urban revitalization efforts. This would be a concern especially in large cities where due to limited housing opportunities for low income residents, the benefits of affordable housing in a particular neighborhood or census tract outweighs the possibility of increased minority concentration. Therefore, AHFA will remove from the proposed Plan an award of points based on a project's location in a census tract where the minority population does not exceed 50 percent based on 2010 Census Summary File 1 tables.** **The points for projects located in a census tract where the Median Family Income from the 2010 census data (2010 ACS 5 Year) is equal or above the following percentages (rounded down) of the county's 2015 Annual Median Family Income published by HUD will be revised as follows:** **1 point for 80% to less than 100%** **2 points for 100% or more**

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				support the preservation of affordable 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.	
	1.)(vii)(a)(2)	7	Diane Torres, Penrose Properties	The current structure will redline urban city development. There is a potential to be sued for reverse discrimination for developing and focusing only on the upper-income or minority concentration. The market should dictate the need for the development.	
	1.)(vii)(a)(2) Census Tract & Minority Population Location	7	Amber Courtney, The City of Birmingham	The consideration for points given in census tract areas less than 80% should be changed to be more inclusive of areas that contain majority areas such as indicated here. These points should only work if they permit an equal number of points (or an exception) for land bank proprerties and/or properties part of a revitalization plan.	

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	1.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Kevin Buckner, TBG Residential	(2) Please keep the language from last year. We understand there is concern over the "desparate impact" ruling, but finding '120' tracts in the larger populated areas will be difficult. We believe this change will push more projects into rural areas and make it difficult to develop in the larger MSAs.	
	1.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Carlen Williams, Arlington Properties, Inc.	The 7 available points for Census Tract and Minority Population Location creates an imbalance in the siting of Alabama LIHTC properties negatively impacting urban revitalization efforts, especially in Alabama's larger cities. To create a balance, API recommends including an equal number of points for projects in a concerted community revitalization plan ("CCRP"). API also recommends that this plan be more clearly defined than just designation by a public body. For instance, a definition for CCRP could include the following language (excerpted from the Pennsylvania QAP): "A maximum of 7 points will be given to a project located in a broader community revitalization program which has the capability of changing fundamentally the character of a neighborhood, enhancing the lives and amenities available to residents of the community…and which seeks to counteract the pattern through which some metropolitan areas are being segregated by income or race." There is precedent for defining CCRPs in such a way to create balance of siting; notably CO, GA, PA, MA, IN and TX all include language clarifying	

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				project priority where the benefits of affordable housing development to a neighborhood outweigh the currently limited opportunity in those neighborhoods with low-income and minority concentrations.	
	1.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Mark Straub, Penrose Properties	Census Tract and Minority Population Location (7 points) A maximum of 3 points will be given to a project located in a census tract where the Median Family Income from the 2010 census data (2010 ACS 5 Year) is equal or above the following percentages (rounded down) of the county's 2015 Annual Median Family Income published by HUD: 1 point for 80% - 99% 2 points for 100% - 119.99% 3 points for 120% or more 4 points will be given to a project located in a census tract where the minority population does not exceed 50% based on 2010 Census Summary File 1 tables. We believe the current structure will basically redline urban city development and we are concerned that we will be sued for reverse discrimination by developing and focusing only in upper income communities.	

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				We recommend that no weight be given to any census track based on income or minority concentration.	
	1.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Dwayne C. Vaughn, Mobile Housing Board	The Draft QAP proposes the following language: Census Tract and Minority Population Location (7 points) A maximum of 3 points will be given to a project located in a census tract where the Median Family Income from the 2010 census data (2010 ACS 5 Year) is equal or above the following percentages (rounded down) of the county's 2015 Annual Median Family Income published by HUD: 1 point for 80% - 99% 2 points for 100% - 119.99% 3 points for 120% or more 4 points will be given to a project located in a census tract where the minority population does not exceed 50% based on 2010 Census Summary File 1 tables. We believe the draft language may have the unintended consequence of "redlining" urban city development and thereby foreclose the opportunity to develop quality housing in	

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				urban centers in favor of areas outside of the City's core. Given the new Affirmatively Furthering Fair Housing ("AFFH") Rule promulgated by HUD, we are concerned that focus only in less minority concentration areas will subject developers and owners to legal action for failing to adhere to the AFFH Rule or for allegedly practicing reverse 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 concentration.	
	1.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Chris Retan Alethia House	AHFA has consistently encouraged developers to develop housing in areas with positive neighborhood characteristics (e.g. grocery store, doctor's office, drug store) by awarding points and discouraged development in areas that had negative characteristics (e.g. pig farm, junk yard, airport, etc.) by deducting points. Awarding points to projects located in census tracts where minorities do not exceed 50% of the population suggests that living in a majority white census tract is positive and a majority African-American census tract is negative. Providing these points is unacceptable and is most likely a violation of the Fair Housing Act. Under the proposed scoring system, if two projects have the same score on all other	

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				variables a project located within 0.3 miles of a pig farm or airport in a majority white census tract (2 point deduction) would score higher than a project in a majority African-American census tract (4 point deduction). A scoring system that would have this result should be changed. While we understand this change may have been made in response to the recent Supreme Court ruling on the disparate impact of the Texas QAP, we can find nothing in HUD's Final Rule for Affirmatively Furthering Fair Housing that would support adding this to the QAP. The impact of this race-based scoring section is magnified when it is added to the points that are proposed for locating housing in census tracts with higher incomes since the highest scoring census tracts would be those that are majority white and incomes above 120% of the AMI (7 points) and the lowest scoring census tracts would be those that are majority African-America with average family income below 80% of the median family income (zero points). This combination of points would create a serious disadvantage for urban cities and counties that have a significant number of census tracts that are majority African-American and have average incomes below 80% of the Median Family Income. It would also disadvantage counties in the Black Belt	

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				which tend to have lower average family incomes and higher percentages of African-American residents. Proposed solution: Eliminate points for projects in majority white census tracts.	
	1.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Chris Retan Alethia House	HUD's Final Rule for Affirmatively Furthering Fair Housing states jurisdictions should take a "balance approach" in the development of their Fair Housing Plan. It outlines three approaches that can be used to promote fair housing: 1) the development of housing outside of low-income areas, 2) improving conditions in high poverty neighborhoods, and 3) the preservation of affordable housing stock. (Fed. Register No. 136, page 42278-9). This plan does a good job of promoting the development of housing outside of low-income segregated area by providing points for the development of housing in higher income census tracts. It does a good job of promoting the preservation of existing affordable housing by providing points for the rehabilitation of existing multi-family housing and for projects that include re-financed HOME loans. It should support the third approved approach, "improving conditions in high poverty neighborhoods," by providing points for projects located in Qualified Census Tracts. Solution: For 2016, AHFA should award 3	

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				points for projects in Qualified Census Tracts, which is the same number of points for projects in a 120% AMI census tract. After the allocations have been made, AHFA should review the projects that were funded in each type of census tract and adjust the points, as needed to achieve balance in the future.	
	1.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Amelia Johnson, TBG Residential	Regarding the census tract and minority population location points section on pages 7-8: The purpose of this section appears to be incentivizing development in higher income areas as a way to deconcentrate poverty and allow low and moderate-income households to live in communities with potentially greater safety and opportunities. The inclusion of 4 points for a project located in a census tract where the minority population does not exceed 50% does not seem to address this as effectively as looking at the AMI for the census tract. Unfortunately, there is a strong correlation between a high minority population in a census tract and a low AMI for that tract. It is likely that any development that was being contemplated in an 80%, 100%, or 120% census tract would automatically get those additional 4 points. Perhaps the category should only be focused	

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				on developing in high income census tracts (based on economics rather than race), and points could be awarded on a larger sliding scale as follows: • 3 points for 80% - 99.99% • 4 points for 100% - 119.99% • 5 points for 120% - 139.99% • 6 points for 140% - 159.99% • 7 points for 160% or more	
	1.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Terry Mount, DSI	Please revise the method for calculating census tracts. The method stated causes some counties to have no 120% tracts which would disadvantage them from receiving an award. I researched a county that is one of the better Alabama counties as far as incomes. I took the highest rated census tract as per the 2010 ACS income data. When divided by the HUD median income for 2015 it came out at 119.9%. Therefore there is no way a project in this county can be competitive with other 120% census tracts in other counties. If the 2013 ACS 5 yr Estimate is used, the census tract would be 121% of the 2015	

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				HUD median. This methodology conflicts with the AHFA's 2016 draft QAP I. B. Establishment of Housing Priorities statement on pg 5. Geneva, Greene, Hale, Lamar, & Lowndes counties all would be noncompetive under the current methodology. We recommend either using the FFIEC website as AHFA has a few years ago or use the most recent ACS 5 yr Estimate which I believe is 2013. Please omit the points for nonminority majority census tracts. There are very nice and higher income neighborhoods in Alabama that have concentrations of minorities. This would prevent possible Fair Housing violations by AHFA.	
	1.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Robert Smith, City of Montgomery	I'm writing to provide comments on the Alabama Housing Finance Authority's (AHFA) 2016 Draft Housing Credit QAP/HOME Action Plan. Under the Scoring Addendum, Section A (1) (vii) (a) (2) 2016 QAP Point Scoring System, pages 7-8, Census Tract and Minority Population Location, AHFA has chosen to provide additional points for projects in high income and/or non-minority census tracts and provide fewer points for lower income areas that are likely minority in population. I	

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				strongly urge the AHFA to eliminate this section as the inclusion of these points essentially disadvantages entire portions of the state, in particular the Black Belt and larger urban areas such as the City of Montgomery, and would undermine the de-concentration of poverty and providing decent, safe and affordable housing, as well as future and ongoing revitalization efforts in low-to-moderate income neighborhoods. As this impacts our ongoing efforts to improve life for the low-to-moderate income residents I serve, I believe it is essential that the AHFA remove this section or change it back to the same point criteria from FY-2015. The Montgomery Housing Authority board and executive director have been working very hard at de-concentrating poverty and replacing dilapidated housing units with decent, safe and affordable housing in several of their low-income housing developments, and have plans to continue their efforts. If the draft point system is approved MHA and other housing authorities across the state as well as non-profit housing developers throughout the state will be negatively impacted by this policy and won't be able to continue their efforts. The recent Texas Department of Housing and Community Affairs decision by the United States Supreme Court clearly indicates that revitalization is an important public policy	

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				goal and should not be penalized by the Fair Housing Act. The Supreme Court noted that: "It would be paradoxical to construe the FHA to impose onerous costs on actors who encourage revitalizing dilapidated housing in our Nation's cities merely because some other priority might seem preferable . . . From the standpoint of determining advantage or disadvantage to racial minorities, it seems difficult to say as a general matter that a decision to build low-income housing in a blighted inner-city neighborhood instead of a suburb is discriminatory, or vice versa." Likewise, the newly issued HUD Affirmative Fair Housing Rule mandates balance in how to approach funding decisions. Given the distribution of the minority population in our state, the huge scoring advantage provided for higher income tracts and non-minority tracts does not achieve balance and clearly disadvantages portions of the state with large minority populations like Montgomery, Birmingham, Huntsville, Tuscaloosa and Mobile to name a few. I believe the inclusion of these points raise significant questions under the Fair Housing Act. I respectfully request AHFA to eliminate	

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				these points from its scoring system and revert back to the 2015 scoring criteria or figure out another way to respond to the Fair Housing Act requirements of providing affordable housing in high opportunity areas. We have at least one example of an LIHTC project thats located in high opportunity area in the City of Montgomery that was funded and completed under the old scoring criteria, and believe that this works. The example Senior Housing development named Kendricks Way off of Central Parkway. Please take these constructive comments under consideration and let us continue housing development and redevelopment in or low-to-moderate income areas.	
	1.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Dontrelle Foster, Housing Authority of the Birmingham District	Under the Scoring Addendum, Section A (1) (vii) (a) (2), Census Tract and Minority Population, AHFA proposes to allocate additional points for projects in high income and/or non-minority census tracts. We strongly urge the AHFA to eliminate this section as the inclusion of these points essentially redlines entire portions of the state, in particular the Black Belt and larger urban areas, and would undermine future and ongoing revitalization efforts in lower income neighborhoods. As this impacts our ongoing efforts to improve life for the lower income residents we serve, we believe it is essential that the AHFA remove this proposed section and eliminate these proposed points.	

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	1.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Mary E. Mayrose, The Housing Authority of the City of Phenix City	Given the distribution of the minority population in our state, the huge scoring advantage provided for higher income tracts and non-minority tracts does not achieve balance and clearly disadvantages portions of the state with large minority populations; such as Phenix City. We believe the inclusion of these points raise significant questions under the Fair Housing Act and we recommend removal of this scoring criteria.	
	1.)(vii)(a)(2) Census Tract & Minority Population Location	7-8	Tammy Stansbury & Denis Blackburne, The Woda Group	Census Tract and Minority Population Location: Federal law (26 USC Section 42 (m)(1)(B)((i)(lll)) requires all states to provide a preference in their QAPs for projects in QCTs which contribute to a concerted community revitalization plan. This requirement was clearly and strongly affirmed by the Supreme Court in the recent case of Texas Dept. of Housing and Community Affairs v. Inclusive Communities Project, Inc. In the second sentence on the second page, the opinion states, "Those plans (meaning state QAPs) must include… certain preferences, including that low-income housing units 'contribute to a concerted community revitalization plan' and be built in census tracts populated predominantly by low-income residents". Scoring criteria 1(vii)(a)(2) in the draft QAP directly contradicts 26 USC Section 42(m)(1)(B)(i)(III), by placing developments	

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				in a QCT at a distinct disadvantaged compared to developments in higher income census tracts. Scoring criteria 1(vii)(a)(2) of the draft QAP also raises serious legal and constitutional issues. In the Inclusive Communities case, the Supreme Court states that "serious constitutional questions that might arise, for instance, if such liability were imposed based solely on a showing of statistical disparity." (Inclusive Communities at page 18). The Supreme Court held that using numerical racial quotas raises serious constitutional questions, and that difficult questions might arise under the FHA if race is used and considered in a "pervasive and explicit manner to justify governmental or private actions that, in fact, tend to perpetuate race-based considerations rather than move beyond them." (Inclusive Communities at page 21).	
	1.)(vii)(a)(2) Census Tract & Minority Population Location	8	Richard Higgins & Lori Harris, Norstar Development	As with the 2014 QAP, the draft 2015 QAP makes 2 points available to applicants with developments located in census tracts that meet or exceed a stated percentage of the relevant county's Median Family Income (MFI). In 2014, the threshold for these points was 60% and for 2015 that number has been raised to 80%. This furthers the policy goal of deconcentrating poverty by encouraging location of affordable housing developments in areas that will provide a better environment and greater opportunity for the	

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				development's residents. An unintended consequence of awarding points for higher income census tracts is that it undermines revitalization and redevelopment efforts in Qualified Census Tracts (QCT) also aimed at providing better environments and greater opportunities as part of an overall plan that will stimulate business and attract all income levels to areas with a high concentration of poverty and little opportunity for residents. Section 42 (m)(1)(B)(III) provides, Qualified Allocation Plans must establish preferences for "projects which are located in qualified census tracts (as defined in subsection (d)(5)(C)) and the development of which contributes to a concerted community revitalization plan." Indeed, the 2015 QAP, as with prior QAP's, provides a tie-breaker preference for developments in QCTs supported by a local revitalization plan: 5. If a tie(s) 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. However, tie-breakers are only relevant to the	

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				extent sufficient points are earned for the application. Under the current draft of the QAP, if given the choice between developing affordable housing in a census tract where the MFI is 80% or more of the relevant county's MFI and doing the same development in a QCT included in a local government's revitalization plan, a rational developer will select the former every time. To avoid the unintended consequence of undermining local government revitalization efforts, either the QCT tie breaker should be moved to the Points Gained section of the QAP and awarded the same 2 points as the 80% MFI census tracts or the 80% MFI census tract item should be moved to the same tie-breaker as QCTs. One concern faced addressed by states that have strengthened the Section 42 QCT preference in their QAPs is the possibility the "concerted community revitalization plan" could be manipulated so that mere support of an individual project by the relevant local government would qualify an applicant for the preference. States that have addressed this have focused on the "concerted community" language in Section 42, making qualification contingent upon the project being part of a larger revitalization effort that has been in place for some specified period of time and with respect to which funds have already been expended and portions of the	

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				revitalization plan implemented. Based on the foregoing, we recommend that a new item (3) be added to Addendum A, Section A.1.)(vii.)(a): (3) Targeted Redevelopment Area. 2 points will be given to a project located in an area targeted by local government for redevelopment or revitalization provided *the redevelopment or revitalization plan was approved and adopted by ordinance, resolution, or other legal action taken at least one year prior to the deadline for submission of applications, *the redevelopment or revitalization plan specifies geographic boundaries that are larger than but include the physical location of the project, and *funds have been expended by the local government to revitalize or redevelop at least one project in furtherance of the redevelopment or revitalization plan.	
	1.)(vii)(a)(2) Census Tract & Minority Population Location	8	Amber Courtney, The City of Birmingham	The non-minority factor should be changed in order to be considered fair and unbiased with regard to consideration of areas that would largely benefit from this program but are unable to qualify due to the makeup of the community (majority minority). It is apparent that if this was approved, it would favor housing in predominately Caucasian, higher income communities, thereby negating the effect of mixed-income communities which are so needed in municipalities such as	

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				Birmingham, and others in Alabama whose majority populations are that of low-to-moderate (LMI) African American communities and whose success largely benefits the Region as well as the State overall.	
	2.)(ii) Applicant Characteristics	9	Terry Mount, DSI	A.2.)(ii.) Applicant Characteristics. The proposed requirement of having 10 deals since 2005 would require a developer/owner to have received a tax credit award every year for the past 10 years. Please go back to the requirement of developing and continuing to own multifamily housing for a minimum of 15 years. Consider allowing an even longer time period. Many Alabama developers are not active in other states. With the caps on available HOME funds and tax credits, it has become difficult to be successful in obtaining funding every year. The proposed requirement would weigh heavily in favor of larger multistate developers. Alabama developers that have limited themselves to Alabama would be forced to partner or even bring in out of state developers to meet the 10 deal in 15 yr threshold. The proposed requirement would greatly decrease the opportunities for younger developer owners which is needed for the future of affordable housing in Alabama as	**Points awarded to owners who have previous successful experience in development of multifamily housing since 2005 will be reduced from 10 points to 5 points. The number of projects and units required for the points will be reduced from 10 projects/1,000 units to 5 projects/500 units.**

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				the existing developer base ages.	
	2.)(ii) Applicant Characteristics	9	Marcella Roberts, Hollyhand Development	We are opposed to the requirement that a developer have at least 10 deals since 2005. This places an unrealistic requirement on a developer to have received a tax credit allocation every year for the past 10 years with no margin for error. By remaining with the existing 2015 requirement of developing and continuing to own multifamily housing for a minimum of 15 years, local Alabama developers will remain loyal to the program and not be limited in their ability to develop in their home state. With limited funding, caps and other restrictions, it has become increasingly difficult to receive a tax credit award each year. Therefore this requirement will eliminate many developers each year this requirement is in effect. The proposed requirement could weigh heavily in favor of larger out of state developers that collaborate to almost ensure receipt of an annual allocation in the state.	
	2.)(ii) Applicant Characteristics	9	Ann Marie Rowlett, Rowlett & Company, LLC	Restricting experience points to projects PIS from 2005 forward is unfair to CHDO's since they cannot partner with other developers to bring in experience points. CDHO's should be excluded from the 2005 requirement and should be able to count all of their projects	

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				towards development experience points.	
	2.)(iv) Applicant Characteristics	9	Sherry Atchison, Volunteers of America Southeast	A.2.)(ii.) Applicant Characteristics. The proposed requirement of having 10 deals since 2005 would require a developer/owner to have received a tax credit award every year for the past 10 years. Please go back to the requirement of developing and continuing to own multifamily housing for a minimum of 15 years. Consider allowing an even longer time period. Many Alabama developers are not active in other states. With the caps on available HOME funds and tax credits, it has become difficult to be successful in obtaining funding every year.	
	2.)(iv) Applicant Characteristics	9	Tammy Stansbury & Denis Blackburne, The Woda Group	Scoring item 2(iv) is unconstitutional under the dormant or negative commerce clause of the United States Constitution. This section awards points only for Alabama issued 8609's. The Supreme Court has held that the United States Constitution prohibits "economic protectionism--this is, regulatory measures designed to benefit in-state economic interests by burdening out-of-state competitors." New Energy Co., v. Limbach, 486 U.S. 269, 273 (1988). Discrimiatory state tax schemes are frequently invalidated in dormant commerce clause decisions. CSX Transp., Inc. v. Alabama Department of Revenue, 562 U.S. 277, 287 (2011) lists	**The points awarded for closing an AHFA HOME loan or receiving 8609's on an AHFA Housing Credit project will be removed from the Plans.** **However, A minimum fee of $5,000 must be paid, at the time of the initial application submission, for an on-site inspection for each 2016 application which contain one (1) or more owner(s) with ownership in less than three (3) placed-in-service projects funded with Housing Credits or HOME funds awarded by AHFA.**

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				numerous examples. These cases include regulations providing for the discriminatory allocation of tax credits and exemptions. See, e.g., W. Lynn Creamery v. Healy, 512 U.S. 186, 211 (1994), and New Energy Co., 486 U.S. at 280. A Montana state court recently considered this issue in the context of Montana's QAP, and held that allowing points for in-state experience but not for out of state experience is a violation of the commerce clause of the United States Constitution. See, Ft. Harrison Veterans Residence v. Montana Board of Housing, Cause Number DDV-2012-356, April 26, 2013, at pages 12-13. For this reason, Scoring item 2iv) should either be removed, or modified to allow for out of state experience to be counted in the same manner as in state experience.	**AHFA will select one (1) property for inspection for applicants with less than six (6) non-AHFA projects and up to three (3) properties for inspection for applicants with more than six (6) non-AHFA projects based on the Schedule of Real Estate form submitted with the application.** **Applicants must consent to an on-site inspection by AHFA (or AHFA's designated consultant) of any of such owner's existing projects, including physical inspections of building and units as deemed necessary by AHFA. The owners will be subject to the same AHFA requirements defined in Addendum D of the Plan. The owner will be required to pay all costs of the inspection(s).**
	2.)(iv) Applicant Characteristics	9	Carlen Williams, Arlington Properties, Inc.	API recommends awarding points for developments receiving IRS form 8609 in year 2000 or later (a change from the proposed 2005). Properties placed in service in 2000 are still in the compliance period and owners are penalized for non-compliance. With 10 points available for owners with recent multi-family development experience, AHFA can remain confident that owners are knowledgeable about and familiar with current development practices and compliance monitoring procedures and requirements.	
	2.) Applicant	10	Richard	Based on the discussion above regarding	

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	Characteristics		Higgins & Lori Harris, Norstar Development	Addendum A, Section A.1.)(vi.)(a.), we recommend the following language be added to the end of Addendum A, Section A.2.)(v): No more than 4 points in the aggregate will be given under this Section 2.)(v) and Section 1.)(vi)(a.).	
B – Environmental Policy Requirements					
	Choice Limiting Activities	1	Russell C. Griebel, United Consulting	Can the geotechnical exploration (with possible dozer/mulching clearing for access) be conducted prior to the application?	**With respect to projects that receive HOME funds (regardless of whether any other form of funding is received), "choice-limiting activities" include, but are not limited to, acquiring, rehabilitating, converting, leasing or repairing all or any portion of the project as well as disturbing the ground or commencing any form of construction at the project site.**
	AHFA Non-Scope Requirements	9	Russell C. Griebel, United Consulting	The non-scope requirements include language regarding lead based paint and asbestos. For existing structures, are there age thresholds for requiring LBP or Asbestos Surveys (Sampling and Testing) to be conducted and included within the Phase I report? Or does only language need to be included in the Phase I about the potential for such.	**The Plan is clarified to read:** **Asbestos Testing: An asbestos testing report on every structure will be required at the time of the initial application and included in the Phase I ESA. All friable and non-friable ACM in deteriorated condition must be completely abated. An asbestos contractor's listing may be obtained from Alabama Department of Environmental Management (ADEM) (334) 271-7700 or at www.adem.state.al.us. Non-friable ACMs may be managed in place if in an intact condition. A site-specific Operations & Maintenance Plan for asbestos must be**

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					implemented if ACMs are to be left in place. Asbestos standards are located at ASTM E-2356, EPA: Clean Air Act, CERCLA, & OSHA 29CFR Part 1926.1101. **Lead Based Paint Testing: For all buildings built prior to 1978, the applicant must provide a LBP report at the time of initial application and included in the Phase I ESA. AHFA requires all LBP to be completely abated (eliminated). A list of licensed LBP contractors can be obtained from the Alabama Department of Public Health 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.**
	AHFA Non-Scope Requirements	9	Russell C. Griebel, United Consulting	For historical reviews, the requirements state "EP must locally check all Standard Historical Sources (SHS) listed in section 8.3.4….". ASTM states elsewhere "reasonably ascertainable" sources. All SHS may not be reasonably ascertainable, and all may not be available. Therefore, consider please replace "all" with "reasonably ascertainable."	**There is no change to the Plan.**
	AHFA Non-Scope Requirements	9	Russell C. Griebel, United	Addendum B-2 indicates the Phase II must be completed in accordance with E1903-11 and all ADEM standards for Residential Use	**The Plan is amended to read:** **Any Phase II Reports that are**

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			Consulting	Properties. ADEM does not have standards for Phase II due diligence assessments. Rather, a Phase II is to assess for contamination that may be associated with the RECs identified through a Phase I. If a Phase II identifies contamination associated with the RECs, then additional assessments and actions could be required under ADEM, such as through the Voluntary Cleanup Program.	**recommended for purposes of addressing the REC's identified in the Phase I ESA (or that should have been identified in the Phase I ESA but were not) must be completed in accordance with E1903-11 *and be protective of* Residential Use Properties.**
	Appendixes A. Photographs	12	Russell C. Griebel, United Consulting	Are site and area photographs to be included in Appendix A?	**The Plan is amended to read:** **A. PHOTOGRAPHS AND MAPS** **i. SITE AND VICINTY PHOTOGRAPHS**
	Environmental Review Statutory Checklist	14	Russell C. Griebel, United Consulting	For the environmental checklist, be sure the associated guide tells specifically what needs to be done and not done. Will AHFA get historical clearance letters from the state, does the consultant need to write letters for an official response? Same for Fish and Wildlife, do letters need to be written or just look at available listings?	**The Plan is amended to read:** **Historic Preservation:** ***Please note: AHFA will request concurrence letters upon project approval.*** **Endangered Species Act:** ***Please note: AHFA will request concurrence letters upon project approval.***
	Environmental Review Statutory Checklist	14	Russell C. Griebel, United Consulting	Please define "adjacent" to the site? Is this indented to be ASTM 1527-13 "adjoining." Access to adjoining properties could limit ability for some statements, unless relying on maps and aerials.	**The Plan is amended to read:** **Are any wetland characteristics (hydrophytic vegetation, hydric soils, wetland hydrology) or drainage features observed on the site *or on the adjoining properties*? Any waters of the State**

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					jurisdictional wetlands, drainage features, water courses observed on the site *or on the adjoining properties*? **Does the project involve any new construction or filling located within a wetland area designated on a USFWS National Wetlands Inventory Map?** **Attach National Wetlands Inventory Map (NWI) and any wetland delineation studies or assessment reports prepared for the project site and *adjoining* property.**
	Instructions & Guidance for Completing Addendum B-4 (Wetlands Protection)	15	Russell C. Griebel, United Consulting	Can AHFA fully define what is allowed or not allowed relative to wetlands, waters of the state, jurisdictional waters, etc. Can any of these be on the Applicants Project Site? What if a wetland has been "mitigated" with a clearance letter but is present onsite at the time of submittal?	**No further definition is necessary. The Environmental Review Statutory Checklist should be completed in accordance with the guidance provided in Addendum B-4.**
	Instructions & Guidance for Completing Addendum B-4 (Endangered Species Act)	15	Fred Bennett, The Bennett Group	The Phase I requirement to check the proposed site for habitat for any plant or animal species should be limited to only those currently on the published endangered species list and data base. A Phase II should not be required for any plant or species that Fish & Wildlife "is considering putting on the list." If the species deserves to be on the list, then it should be on the list; when full consideration has been given, and the decision is made to put a species on the list,	**The Plan is amended to read:** **Will any endangered species or their habitat be adversely affected by this project?** **Attach endangered species and/or critical habitat list for the project's county from the U.S. Fish & Wildlife Service website. Document your visual finding for endangered species and their habitat. http://www.fws.gov/daphne/es/specieslst.h**

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				we should be concerned about it then.	**tml https://www.hudexchange.info/programs/environmental-review/endangered-species** ***Please note: AHFA will request concurrence letters upon project approval.***
	Instructions & Guidance for Completing Addendum B-4 (Explosive & Flammable Operations)	16	Fred Bennett, The Bennett Group	Industry professionals have told us that a propane tank, even the very large ones used to fill propane delivery trucks, are not a hazard if they are 1,000 feet away from a proposed site. It is unnecessary for applicants to canvas a one mile, or even a half-mile radius of the site to find propane tanks.	**HUD guidance requires aboveground stationary storage tanks within 1 mile of the project site to be identified.**
C – Design Quality Standards & Construction Manual					
	II.C.1 Clubhouse/ Community Building Standards	3	Carlen Williams, Arlington Properties, Inc.	Please clarify the language under II.C.1 Clubhouse/Community Building Standards as it relates to multi-story buildings that include residential units and clubhouse/community spaces within a single building envelope.	**This standard will be revised to include spaces within a single building envelope.**
	III.3.a.10. Exterior Finishing Materials	6	Rory McKean, McKean & Associates, LLC	Brick should have a lower case 'b'.	**This change will be made to the Plan.**
	III.3.a.12. & V.2.a.11.	6 15	Rory McKean, McKean & Associates, LLC	Add "steel" to the following sentence: Structural wood columns must be a minimum 6" x 6" pressure treated columns concealed as noted above or properly sized columns of steel, fiberglass, high density urethane or aluminum.	**Steel will be added as an option for concealing pressure treated columns.**

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				On the next sentence, add a comma between "fiberglass and steel."	
	III.3.b.13. IV.6.b.14. V.2.b.11.	7 12 16	Rory McKean, McKean & Associates, LLC	In the last senence, revise to read "… picnic table(s) with attached bench seating."	**The table(s) will be required to have attached bench seating.**
	III.5.c.1. IV.8.c.1. V.3.1.	8 12 16	Rory McKean, McKean & Associates, LLC	Revise to read: "… sink is required in each unit."	**A minimum 6 1/2-inch deep double bowl stainless steel sink is required in each unit.**
	III.5.d.1. IV.8.d.1. V.3.1.	8&9 13 16	Rory McKean, McKean & Associates, LLC	Tub/shower units must have minimum dimensions of 30-inch width by 60-inch length and be equipped with anti-scald valves. Integral wood blocking in walls as per ANSI and Fair Housing guidelines is required. All tubs in designated handicap accessible units must come complete with "factory-installed grab bars" where the tub surrounds are factory reinforced. Wood blocking in walls is still required with factory reinforced fiberglass surrounds. If the tub surrounds are not reinforced fiberglass but are hard tile, cultured marble, or composite materials; solid wood blocking must be installed to meet ANSI and Fair Housing Standards.	**This standard will be revised as follows: Tub/shower units must have minimum dimensions of 30-inch width by 60-inch length and be equipped with anti-scald valves. Integral wood blocking in wall in accordance with Fair Housing guidelines is required. All tubs in designated handicap accessible units must come complete with "factory-installed grab bars" where the tub surrounds are reinforced. Wood blocking in walls is still required with factory reinforced fiberglass surrounds. If the tube surrounds are not reinforced fiberglass, hard tile or cultured marble or composite materials; solid wood blocking must be installed to meet Fair Housing guidelines.**
	III.5.d.2. IV.8.d.2. V.B.3.2.	9 13 16	Rory McKean, McKean &	Water closets must be installed to comply with applicable ANSI, UFAS and Fair	**This standard will be revised as follows: Water closets must be installed to comply with applicable ANSI, UFAS and Fair**

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			Associates, LLC	Housing accessibility guidelines. Note: Some of these Standards have different distances. A water closet must be from a wall. It varies from 16" - 18" based on whether there are direct Federal Funds such as HOME Funds involved. We suggest AHFA not include dimensions in QAP.	**Housing accessibility guidelines.**
	III.5.d.4. IV.8.d.4. V.3.4.	9 13 17	Rory McKean, McKean & Associates, LLC	Revise to read: "Vanity cabinets with drawers or a vanity cabinet without drawers and a linen cabinet with drawers must be installed in all units." Owners/Management do not like medicine cabinets due to them being a maintenance problem and not being able to remain clean.	**This standard will be revised as follows: Vanity cabinets with drawers or a vanity cabinet without drawers and a linen cabinet with drawers must be installed in all units. All cabinets in designated handicap accessible units must be installed in compliance with ANSI or UFAS guidelines.**
	III.5.e. IV.8. V.3.	9 13 17	Rory McKean, McKean & Associates, LLC	Revise to read: "Hallways must have a minimum clear width of 36 inches or greater as per applicable accessibility standards."	**This standard was revised as follows: Hallways must have a minimum clear width of 36 inches or greater as per applicable accessibility standards.**
	III.5.f. IV.8. V.3.	9 13 17	Rory McKean, McKean & Associates, LLC	Revise the first sentence to read: "All interior doors to habitable spaces in units subject to Fair Housing Guidelines must have a minimum clear width in compliance with applicable Fair Housing design standards." Revise the last sentence to read: "All interior doors to habitable spaces in all other units must have a minimum width of 30 inches."	**This standard was revised as follows: All interior doors to habitable spaces in units subject to Fair Housing Guidelines must have a minimum clear width in compliance with the applicable Fair Housing design standards. All interior doors to habitable spaces in designated handicap accessible units must have a minimum width of 36 inches.**

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			Rory McKean, McKean & Associates, LLC	In the Design Quality Standards, is there a III.4? It goes from 3. Exterior Building Standards to 5. Interior Building and Space Standards.	**The numbering will be corrected in the final version.**
	V. Attached Rehabilitation of an Existing Building	14	Tom Champion, Gulf Coast Housing Partnership, Inc.	The rehabilitation of existing Certified Historic Buildings presents unique challenges in working within the parameters of the existing structure and in accordance with NPS and SHPO standards. While deviations based on these requirements are often needed, a review of the existing standards by experienced Historic design professionals and consultants has indicated that the DQS For Attached Rehabilitation of an Existing Building are most applicable as a base for the rehabilitaion of a Certified Historic Building. Therefore, we recommend the DQS clarify that Certified Historic Buildings fall under the DQS for Attached Rehabilitation of an Existing Building.	**Rehabilitation of existing Certified Historic Buildings should meet the Attached New Construction Rental Units minimum standards. Prior to submitting an application, deviation requests should be submitted for AHFA's approval for any standards that cannot be met.**
	V. Attached Rehabilitation of an Existing Building	14	Tom Champion, Gulf Coast Housing Partnership, Inc.	The DQS standards for Attached Rehabilitation of an Existing Building mention efficiency units but to not provide any net unit area requirements for those units. We rocommend adding an efficiency unit at 425 s.f. We have found loft style/effieciency units to be highly desirable particularly in urban redevelopment. In addition, these units per the comment above are helpful when rehabilitating Certified Historic Buildings to maximise the use of space for residents in the existing structures.	**Prior to submitting an application, a deviation request to provide efficiency units with a recommended square footage should be submitted for AHFA's approval.**

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	General Comment-Design Quality Standards and Construction Manual		Mark English, E&A Team, Inc.	A failure to understand the accessibility requirements of the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act for covered multifamily housing developments has led to widespread non-compliance and failure to afford accessibility for persons with disabilities in affordable housing. One concrete way to address this issue is requiring development owners, architects, and engineers to attend training on the accessibility requirements under these laws before approval of funding for covered project. Requiring development owners, architects, and engineers to attend such training as a threshold requirement for applying for Low Income Housing Tax Credits or similar housing finance assistance also serves as evidence that a state housing finance agency is meeting its obligations to the U.S. Department of Housing and Urban Development and other federal agencies when awarding funding. To address these issues, AHFA should require development owners, architects and engineers to attend five hours of AHFA approved fair housing and accessibility training and complete an examination showing retention of the training material. At the time of the application submission, these entities must submit	**The 2016 HOME/Housing Credit Application Workshop preliminary agenda tentatively includes a Fair Housing Update, training by HUD on the Affirmatively Fair Housing Marketing Plan, discussions on Fair Housing Laws and Accessibility Standards. AHFA is also exploring options to provide specialized Fair Housing training targeted to owners, architects, and contractors.** **AHFA will engage a third-party construction consultant to review the final plans and specifications prior to construction for each approved project to ensure that it meets all applicable requirements of AHFA's Design Quality Standards and Construction Manual. The applicant/owner, project architect and general contractor will certify that the project meets the federal Fair Housing Amendments Act, the Americans with Disabilities Act and all accessibility requirements at the time of the submittal of the final plans and specification, the completion of the project and the issuance of the IRS Form 8609. In addition to the plans and specification review, AHFA has the right to inspect the project during construction, at the completion of construction and prior to the issuance of the IRS Form 8609.**

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				evidence of completion of five hours of AHFA approved fair housing training and that the attendees scored at least an 80% on the certification examination within the preceding 2 years. Another way to address the lack of accessibility compliance is to ensure that design plans and construction of AHFA funded developments are reviewed by an expert in the field of accessibility. This would be a requirement for all projects funded by AHFA. Development owners should be required to submit evidence that the design plans have been reviewed by an AHFA approved expert before construction begins and that the expert conduct a final inspection of the project and certify all measurements of the applicable federal accessibility standards applicable to the property.	
D – Compliance Monitoring Procedures, Requirements and Penalty Criteria					
	I.Q. Compliance Monitoring Procedures & Requirements	3	Amy Montgomery, Gateway	Change item Q to read as follows: "The owner must retain any final health, safety, or building code violations findings issued by any regulatory entity until reviewed by AHFA during a site inspection of the property."	**This item is in Addendum D to comply with 1.42-5 (b)(3) which states the inspection record retention provision of owners. This item will not be changed.**
	II. Penalty	3	Jeff Rice,	Provide a four (4) point buffer on compliance	**The following will be added to Section II.**

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	Scoring, Fees for Non-Compliance and Suspension Criteria		Rice Land & Development Corporation	audits before point deductions are incurred on applications.	**of Addendum D:** **The automatic penalty point deductions will not be deducted from an applicant's score on their multifamily application(s) for funding in the current plan year's application cycle until the cumulative total of all automatic penalty point deductions collected during the previous year (January 1st through December 31st) are above four (4) points. If an applicant's cumulative total of all automatic penalty point deductions is five (5) points or more the total of all automatic penalty point deductions will be deducted from an applicant's score on their multifamily application(s) for funding in the current plan year's application cycle.** **All of the items listed as automatic penalty point deductions are deemed serious issues which should not be found during audits/inspections.** **Section II. B. of Addendum D states**
	II. B. Penalty Scoring, Fees for Non-Compliance and Suspension Criteria	3	Celeste Stewart, ASM Property Management	Allow for up to 4 points in compliance audits deductions before points are deducted on the Housing Credit Application.	
	II. B. Penalty Scoring, Fees for Non-Compliance and Suspension Criteria	3	Ann Marie Rowlett, Rowlett & Company, LLC	Penalty points for non-compliance should not be carried over into the LIHTC application cycle unless the owner/management company has more than 4 penalty points. Any points over 4 should then be carried over into the next funding cycle round. This would make it more fair to the good owners/management companies that try their best to keep properties maintained but still occasionally fall short and will be detrimental to those that are not as diligent. Additionally, there should be a cure period for issues not related to health and safety violations before point deductions are imposed.	

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	II. B. Penalty Scoring, Fees for Non-Compliance and Suspension Criteria	3-8	David Morrow, Morrow Realty	An owner and management company should have an opportunity to cure prior to duduction of application compliance points and being deemed "non-compliant". Unit inspections for compliance by the owner or management company more often than monthly wil interfere with the tenant's right to quite enjoyment of their apartment. Section II.B. Amend to provide that AHFA will not assess penalty points based upon governmental inspection reports until AHFA (or its designated representative) has investigated the noncompliance alleged in such governmental inspection reports. With the exception of state governmental entities which regularly audit compliance with Section 42 of the Code, a report from an outside party many not necessarily be a reliable indication of compliance or noncompliance.	**"AHFA will review all results of third party inspection reports…" This means AHFA will review or investigate any third party reports which involve any automatic penalty point deductions in accordance with Section II. E. of Addendum D. This item will not be changed.**

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	II. B. Penalty Scoring, Fees for Non-Compliance and Suspension Criteria	3	Brian Hollyhand, Hollyhand Companies	Provide a cure period that is reasonable with the occurrence. Only those items that could result in immediate life safety issues should call for penalties that are severe enough to be application points issues. A missing cover plate on an electrical outlet behind a heavy appliance out of reach should not be considered the same as a missing electrical cover plate in an open living area. Another example of a non-immediate safety item is a repair need in a locked utility closet that a resident cannot access. Penalties should not be the same across the board.	**All of the Health and Safety issues listed in Section II. a. of Addendum D are potentially harmful to the residents. A change will be made due to Section II. a. iv. of Addendum D due to this comment. A second sentence will be added to this section notating exposed electrical wiring or electrical hazards located in a locked area preventing a resident from gaining access will not cause a penalty point deduction.**
	II. B. Penalty Scoring, Fees for Non-Compliance and Suspension Criteria	4	Amy Montgomery, Gateway	Consider an amendment to provide that AHFA will not assess penalty points based upon governmental inspection reports until AHFA (or its designated representative) has investigated the noncompliance alleged in such governmental inspection reports. With the exception of state governmental entities which regularly audit compliance with Section 42 of the Code, a report from an outside party many not necessarily be a reliable indication of compliance or noncompliance. Therefore, change item B to read: "AHFA will review all official final findings of inspection reports it receives from any local, state, or federal authority which contains health and safety, sanitary nature, and habitable living noncompliance issues. AHFA will apply applicable penalty point deductions for items on noncompliance found in an official finding of a governmental	**Section II. B. of Addendum D states "AHFA will review all results of third party inspection reports…" This means AHFA will review or investigate any third party reports which involve any automatic penalty point deductions in accordance with Section II. E. of Addendum D.**

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				authority in accordance with Section II(E) of this Addendum; provided that the owner shall have a reasonable period to cure such findings."	
	Compliance – General Comment		Amy Montgomery, Gateway	The members of AAHA are concerned with the use of the word "non-compliance" in the letters being sent out after the inspections by the compliance department. Minor problems are cited as being "non-compliant" when they are, in fact, only issues related to AHFA's inspections and non-necessarily the "tax credit compliance". Members who are management agents feel that the use of this word is unsettling to owners/limited partners and could cause those owners to seek other management companies for relatively minor issues. Further, AAHA feels that cure periods should be given to owners/management agents BEFORE AHFA designates something being out of compliance.	**The language used in letters sent to the owners of AHFA financed properties is not a comment on the drafts of Addendum D of the 2016 Housing Credit Qualified Allocation Plan or the HOME Action Plan for 2016 Funds. AHFA's compliance department sends the letters to the owners of AHFA funded properties to inform them of any findings the compliance department has during its audits/inspections. The letters to the owners of AHFA funded properties also give the required correction period for any finding during an audit/inspection.**
	Compliance – General Comment		Brian Hollyhand, Hollyhand Companies	Consideration should be given for tenant-caused damages that has occurred since the management visited the unit within the past week. Management cannot be in units daily as these are people's homes. Residents also may have a repair need, but either delay or choose not to report it. In addition, a tenant-owned item should be pointed out as a hazard if appropriate, but in no way should be a non compliance issue of the unit. (HUD Compilation Bulletin, Revision 2.3, item 4)	**Addendum D has buffers for the most common tenant caused items. Penalty point deductions only occur if more than 25% of the units inspected contain these items. The automatic penalty point items listed in Addendum D do not involve tenant-owned items. Hazards involving tenant-owned items are reported as findings in the noncompliance letter sent to the owner so they will be corrected.**
General Comments					

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			Terry Mount, DSI	Revise the AHFA HOME Loan extension and pay off policy to be in line with AAHA recommendations previously made. Many of these properties are not competitive under the 2016 draft QAP and therefor it is not practical to submit an application for rehabilitation. Many of these properties have general partners that are made up of entities owned by nonprofits or by smaller developers. The fees are above the level that many can pay. Many of the properties are in communities providing housing that would not have ever occurred had been left to local economic conditions. As there is no incentive for others to pick up these properties there may be an issue with continued deterioration of these.	**No changes will be made to the AHFA HOME loan extension procedures.**
			David Morrow, Morrow Realty	Any and all construction or rehabilitation underwriting cost guidelines, particularly construction costs, should be disclosed in written form if there are any thresholds or limits that Developers need to fall within. Currently there is a cost reasonableness test for eligibility and/or allowable credits or HOME funds, but no one knows what it is. Developers need to make informed decisions with regards to spending a large sum of predevelopment costs if they do not know	**AHFA will not release the project cost standards for the following reasons:** **1. It encourages owners to submit applications based on their actual costs to build based on environment and other cost factors at the time of construction,** **2. An annual published cost standard fails to recognize significant fluctuations in**

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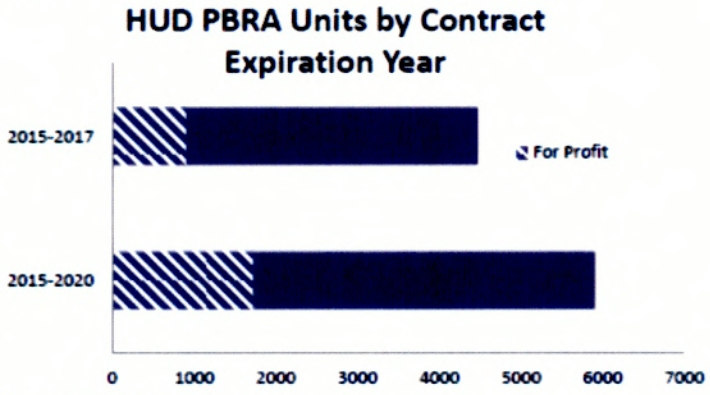
				they will qualify or have sufficient resources. There should also not be a one size fits all cost guidelines as some costs are higher if located in certain areas of the state that have to meet more stringent construction standards for hurricanes for instance. Additionally, tax exempt bond rehabs may be structured differently in financing and timing of construction costs spread out over time so it would not be apples to apples in comparing the construction costs up front or the scope of work done up front to stand alone 9% rehab projects.	**construction material costs; and** **3. Our NCSHA counterparts have consistently reported that as soon as they published their maximum project cost standards in their annual Plans ALL applications immediately were submitted at the published maximum allowable project cost standard.**
			Andrew Bailey, Millennia Housing Development	Overall, the Alabama QAP is well organized, easy to follow, and seems to ask for typical items that other State Housing Finance Agencies ask for. Not all QAPs have these characteristics. Thank you for the opportunity to provide comments and assist with policy development in the State of Alabama.	**AHFA continually strives to clearly and concisely convey the ever changing requirements of the Plans in accordance with the governing laws, regulatory requirements and policies. Public comment is the driving force which enables fine tuning of the Plans. AHFA greatly appreciates the public participation in this process as we endeavor to create safe, affordable housing for Alabama's low to moderate income citizens.**

Figure 1.



Source: HUD PBRA DATA

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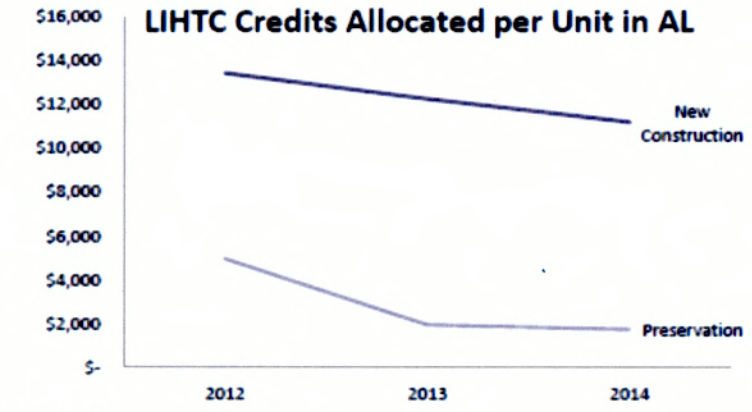
Figure 2.



Source: NHT Data LIHTC Allocations

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.