AHFA 2021 Draft HOME Action Plan, Low-Income Housing Credit Qualified Allocation Plan, and National Housing Trust Fund Allocation Plan Public Comment Form Commenting Period July 2, 2020 – August 20, 2020

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

8/18/2020

Name: <u>Allan Rappuhn</u> Organization: <u>Gateway Construction</u> Email: <u>arappuhn@gatewaymgt.com</u> Phone: <u>256-</u>

760-9657

Plan Section	Section Reference	Page #	Specific Comments
Housing Credit	Point Scoring	A-7	AHFA should consider accepting lower HOME loan paydowns from expiring HOME loan projects that can demonstrate that it is not financially feasible for the property to obtain a loan or have the funds to pay down 30% of the principal and accrued interest. Many of the HOME projects in the state were funded in rural, low income areas, that have not seen financial growth over the past 20 years. In fact, some of these areas are even more depressed than at the time of the initial application. If AHFA would be willing to look at each project on an individual basis to determine the projects availability to pay down the HOME loan and award points on a sliding scale, i.e. 4pts for 10%, 5pts for 20%, and 6pts for 30%. This would allow those expiring HOME projects in very rural low-income areas a chance to compete and get the additional tax credit funding that they need to complete the much-needed rehab make the units viable for another 20 years.
Housing Credit	II	14	Site Location, Exceptions to the 2-mile radius. AHFA should consider projects for funding located within a 2-mile radius of a previously awarded AHFA deal that is less than 90% occupied if the new project is proposing a different tenancy, so long as the market study shows demand to support the proposed units.
Housing Credit	Point Scoring	A-2	Tie Breaker Suggestions – I recommend a tie breaker before the 8th and final tie breaker that would differentiate proposed deals located within the same counties. A few deals this year were located in the same county and scored the same. The projects were awarded based on the 8th tie breaker, which was a lottery. I do not believe it is good public policy for the allocation of a limited rescource like the LIHTC to use a lottery. Over A decade ago, funding decsions were made by drawing names from a bowl. Everyone agreed at that time that was

AHFA 2021 Draft HOME Action Plan, Low-Income Housing Credit Qualified Allocation Plan, and National Housing Trust Fund Allocation Plan Public Comment Form Commenting Period July 2, 2020 – August 20, 2020

		not the ideal way to make those decsions. A couple of suggestions: Lowest number of missing/incomplete documents? Average proxicimity to services based on the neighboorhood services form submitted? Any tiebreaker that breaks ties based on quality of application or quality of site is better than a lottery.
General Comment	Section	Section D. 3. of the HOME Loan Restructuring Policy would be changed to read as follows: Borrowers whose properties have closed on a 5-year extension, but which do not have the NOI to support enough new debt to pay down the existing AHFA debt by 30%, may apply for a 2-year extension to develop a customized restructuring of the AHFA debt in collaboration with AHFA. Borrowers that do not apply for a 2-year extension will be considered delinquent, and AHFA will pursue foreclosure on the property. If AHFA is forced to foreclose on the property, AHFA will make every effort to not displace the current tenants. Many of the HOME projects in the state were funded in rural, low income areas, that have not seen financial growth over the past 20 years. In fact, some of these areas are even more depressed than at the time of the initial application. If AHFA would be willing to look at each project on an individual basis to determine the projects availability to pay down the HOME loan and award points on a sliding scale, i.e. 4pts for 10%, 5pts for 20%, and 6pts for 30%. This would allow those HOME projects in very rural low-income areas a chance to compete and get the additional tax credit funding that they need to complete the much-needed rehab and make the units viable for another 20 years.
Plan	Section	