

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.gap@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.

8/20/2020

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Plan Section	Section Reference	Page #	Specific Comments
Housing Credit	Point Scoring	A-3	Points Gained, 1, (I), (a), 4 points for extra amenities. Install an energy star rated, whole house ventilating dehumidifier in each apartment HVAC system to control humidity
Housing Credit	Point Scoring	A-3	Points Gained, 1, (I), (a), 4 points for extra amenities, Interior units, self-contained, energy efficient 110v, in 2x4 wall Dehumidifiers. Designed to improve air quality, remove excess moisture from the conditioned space, and maintain the relative humidity (RH), below 60%. Dehumidifier runs independent of the central HVAC system, and provides total Mold growth protection. Unit comes with tamper proof screw protection, to keep tenants from tampering with the unit once installed.
Housing Credit	Point Scoring	A-3	Points Gained, 1, (I), (a), 4 points for extra amenities, adding UVC light to the HVAC system, which helps kill COVID, mold, etc.
Housing Credit	Point Scoring	A-3	Points Gained, 1, (I), (a), 4 points for extra amenities, Exterior Security Package. This amenity should be upgrading to include lighting for all perimeter areas.
Housing Credit	Point Scoring	A-7	AHFA should include detailed descriptions of each of the neighborhood services for which they will award points. Currently, these descriptions are only noted on the Site/Project Information Form (Neighborhood Services). When seeking sites for development, individuals may not always have access to the forms package. Having all details and instructions located in one document would certainly be helpful
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

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			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	Point Scoring	A-7	Expiring/Expired AHFA HOME loan projects that have received a 15-year extension and are applying for a new allocation of LIHTCs should have a separate point scoring criterion for neighborhood services. Depending on the age of the project, services currently receiving points weren't a consideration for funding when they were initially proposed/funded. Unfortunately, in the more rural areas of our state, AHFA financed projects were built in communities that still may not have a full-service grocery store, hospital, or doctor's office. In those instances, we'd like to see AHFA give some consideration to the services that are available, i.e., Dollar General, Family Dollar, etc. Perhaps providing less points for these types of services, but not discounting them completely.
Housing Credit	Point Scoring	A-8	In the point scoring section under negative characteristics: Existing AHFA properties should not be subject to loss of points due to negative services within the prescribed proximity. This loss of points basically eliminates any chance of some existing AHFA properties from ever being eligible for a rehab. Many properties were allowed to be built next to these negative services under earlier QAP's and others have been encroached upon by no fault of the owner
Plan	Section		
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.
Plan	Section		
Plan	Section		
Housing Credit	II	13	Environmental studies should not be a Threshold item. The conclusions of such assessments are based on the professional opinion of environmental professionals who sign the reports. AHFA is provided reliance for the reports in accordance with AHFA requirements. If AHFA or their retained attorneys or

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			environmental consultant(s) have a difference of opinion, all parties should be permitted to resolve the differences of opinion within an adequately allotted timeframe. The current penalty structure is such that there is incentive for AHFA and their representative(s) to have a difference of opinion, or request for additional information, even if it is not material to the conclusions of such environmental reports. If AHFA is not open to removing environmental as a Threshold item, consider leaving it as Threshold relative to the identification of recognized environmental conditions (RECs), but allow for differences of opinion relative to scopes of Phase II Environmental Assessments to be addressed between the parties.
Housing Credit	ENV Policy	B-1	".....Alabama Department of Environmental Management ("ADEM") under Alabama Administrative Code regulation 335-15-1.02(ddd) (with the sole exception that AHFA will permit the use of an institutional control prohibiting the use of groundwater for potable or irrigation purposes in instances where the water is supplied by a utility)." This "sole exception" language contradicts the allowance for vapor mitigation systems as detailed on page B-3. Also, please consider allowing vapor mitigation systems on HOME projects, vs. Tax Credits only.
Housing Credit	ENV Policy	B-7 & B-8	Based on the language in this section (including the language "....or soils with hydric components on the soils map..."), most every site applying for funding across the State requires a JD from the Army Corps of Engineers. In 2020, due to the volume of JD submittals associated with AHFA projects, Corps personnel indicated that they could not meet the demand. Corps personnel indicated they may contact AHFA regarding this policy requirement. In communication with AHFA staff previously, staff suggested starting due diligence earlier to meet the Corps demand. But the AHFA policy indicates fieldwork must be done within 180 days, unless a JD already exists. Consider allowing JD submittals outside of this 180 day window. This should not be an issue, as JDs are typically valid for 5-years. Further, requiring a JD just because a soils map has a mapped soil component that is hydric, is excessive.
Housing Credit	ENV Policy	B-7 & B-8	The QAP indicates that a Project Site (including integral offsite development areas) cannot contain wetlands, streams, lakes, ...". This requirement severely limits opportunities for site selection, without providing real protection for wetlands and other aquatic resources. Further, this requirement is much more stringent than HUD rules. We would like to propose the following language: "AHFA discourages the selection of sites that contain wetlands, streams, lakes, or other water bodies

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			(which also includes waters of the United States). If wetlands or other waters are identified or suspected on a site (suspected wetlands/waters as defined below), then a wetland delineation must be performed by a qualified consultant. A copy of the wetland delineation report must be included in the application. Further, a preliminary jurisdictional determination request must be submitted to the U.S. Army Corps of Engineers (USACE) prior to application. A copy of the JD submittal must also be included in the application. The limits of wetlands and other waters must be clearly shown on the proposed site plan. No impacts to wetlands or other waters is allowed except as required for site access or for utility connection (such as sewer connection). If such impacts are proposed, an application (typically a preconstruction notification or PCN) for the appropriate permit must be prepared and submitted to the USACE. A copy of the permit request must be included with the application. Any written approval/denial received from the USACE must be provided to AHFA. Such documentation must be provided to AHFA prior to award. If wetlands or other waters are located on the site, those areas must be protected with a restrictive covenant or conservation easement (RC/CE). A draft copy of the RC/CE must be provided to AHFA prior to award and must be filed in the project county within 90 days following award. A copy of the final recorded document must be provided to AHFA."
Housing Credit	ENV Policy	B-9	AHFA interprets exterior noise requirements to be at the property line. This is not consistent with HUD. We request that AHFA adopt HUD Guidelines for exterior noise requirements. This would mean that only outdoor areas designated for recreation (such as patios, picnic areas, balconies, etc.) would be subject to the 65 dB threshold for acceptability. Further, AHFA requires less than 65 dB, but HUD says < or = 65 dB. Please consider this <=/ criteria. For Housing Credit applications, the QAP indicates "....mitigating measures SHOULD be incorporated into the project to the FULLEST EXTENT PRACTICABLE." It is not clear why these words are capitalized. Please add clarifying language to explain the meaning. It is critical to understand when what applies, and how, as this is a Threshold item.
Housing Credit	ENV Policy	B-1	To meet Alabama Department of Environmental Managements definition of unrestricted residential use, per ADEM, soils require remediation to Environmental Protection Agency published Regional Screening Levels (RSLs). These are ultra conservative standards, and were not developed by EPA as cleanup standards, but rather screening standards. ADEM

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			has a risk based approach for developing safe residential cleanup standards. ADEM also allows engineering and institutional controls on residential properties. HUD accepts this approach. The current QAP language seems to have a potential unintended consequence, where some communities with the greatest need for affordable housing have properties not being eligible for AHFA funding. Changes need to be made to allow for risk based corrective actions and both engineering and institutional controls, or these communities are going to be left behind.
Housing Credit	Point Scoring	A-2	Tie Breaker Suggestions – We 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 is a drawing. A couple of suggestions: Lowest number of missing/incomplete documents? Average proximity to services based on the neighborhood services form submitted?
Plan	Section		
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.
General Comment	Section		
Plan	Section		We request that AHFA share referenced aggregate cost data, so people know what is considered reasonable underwriting criteria

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