

AHFA 2022 Draft Low-Income Housing Credit Qualified Allocation Plan, HOME Action Plan,
and National Housing Trust Fund Allocation Plan
Public Comment Form
Commenting Period July 28, 2021 – August 27, 2021

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.

8/27/2021

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Plan Section	Section Reference	Page #	Specific Comments
Housing Credit	Point Scoring	A-6	iv. Match Contributions, (a) - This appears to permit double counting of New Funds and/or Existing Funds when awarding entity is part of ownership entity. While I can appreciate the perceived benefit of asking Responsible Owners to participate in the capital stack, an unintended consequence will be the highly leveraged nature of the deal. Right now, developers and owners bear the risk in deal changes (whether increases in construction costs, decreases in operations, etc.) and a commitment for funds at application leaves a project team with less levers to pull when solving for project changes. Suggested Change: Removal in its entirety or reduction of points to 1 point.
Housing Credit	Point Scoring	A-7	iv. Match Contributions, (b) - Please clarify whether properties donated by governmental and quasi-governmental entities, including but not limited to PHAs that hold a property post-RAD conversion or cities that have acquired property through eminent domain, qualify for the points.
Housing Credit	Point Scoring	A-8	vii. Location, (a)(1.) Neighborhood Services - There are a number of services that bring value to residents' daily living and while it would be impossible to provide points for every one, there are quality development sites that are missed with only the five listed services. Since communities, and targeted renters within a development, vary greatly, it would be ideal for applicants to have the flexibility to work within a variety of services/amenities and select locations based on specific project needs. Points could vary based on proximity to service. Suggested Change: Increase services to include high performing school, public library, licensed daycare (child and/or adult), senior center, and restaurant. Consider tiering points according to proximity to development in urban areas (i.e. 2pts for 1 mile, 1 point for 3 miles).

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Housing Credit	Point Scoring	A-8	<p>vii. Location, (a)(2.) Census Tract Location - This calculation and corresponding award of points, appears to prefer locations that have either stagnant or declining growth. This is especially evident in high-growth communities such as those in Madison, Baldwin and Shelby counties. The 2010 census tract MFI being equal to or greater than the 2020 county MFI unnecessarily discourages development in high-growth communities (such as Baldwin County where even historically high-income census tracts cannot keep up with the rapid county income increases). In addition, this calculation does not account for positive changes that occur over time in less affluent communities, thereby discouraging development in areas that may better serve the needs of residents. As an example, the 2021 MFI list published by AHFA showed census tract 111.01 eligible for 1 point (86% AMI) while the FFIEC would have qualified that same census tract for 3 points (116%). The 2020 census tract income was \$94k in a county with an \$81k income. The 2010 census tract income was \$70k but the county income was just shy of \$48k. This calculation appears to unintentionally exclude high-demand communities that would be a benefit to our residents. Furthermore, this calculation also effectively excludes development in multiple counties, such as Blount and Chambers, where there were no census tracts that would have qualified for 3 points under the QAP methodology but would have qualified under the FFIEC methodology.</p> <p>Suggested Change: Use a different method of determining income comparisons, such as the FFIEC online census data system which provides (and publishes) annual updates.</p>
Housing Credit	II	22	<p>G. Housing Credit Allocations, 1) Four Percent Credit - Please consider adding a state designated basis boost to further enable and encourage development in high AMI census tracts, in the event the law changes. This would allow projects that typically have higher development costs, such as high land cost and construction costs related to aesthetic improvements, to be financially feasible.</p> <p>Suggested Change: Add "If permitted by a change in law or regulation, projects financed with Multifamily Housing Revenue Bonds may qualify for a 30% basis boost if located in a census tract where the AMI meets or exceeds 100% for the area as determined by the Federal Financial Institutions Examination Council (FFIEC)."</p>
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