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.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.

8/26/2021

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Plan Section	**Section Reference**	**Page #**	**Specific Comments**
Housing Credit	Point Scoring	A-1	We believe there should be a 10% of annual cap set-aside for the redevelopment of existing Public Housing Authority properties. These properties are scattered throughout the state and are in most cases 50+ years old in desperate need of a substantial rehabilitation or complete redevelopment. These communities and these residents deserve an ongoing funding preference in Alabama.
Housing Credit	Point Scoring	A-6	In section (iii) Rent Affordability, subsection (a.) New Funds, subsection (1.) for commitment for AHFA-approved sources of new funds, we would like AHFA to confirm that Section 108 Funds are an allowable source of new funds (under the CDBG program). This program was authorized under Section 108 of the Housing and Community Development Act of 1974 as the loan guarantee component of the Community Development Block Grant (CDBG) Program and should be treated just as the Entitlemene, State, Mitigataion and Disaster Recovery Programs are treated). HUD describes the program as: The Section 108 Loan Guarantee Program (Section 108) provides Community Development Block Grant (CDBG) recipients with the ability to leverage their annual grant allocation to access low-cost, flexible financing for economic development, housing, public facility, and infrastructure projects. Communities can use Section 108 guaranteed loans to either finance specific projects or to launch loan funds to finance multiple projects over several years. Section 108's unique flexibility and range of applications makes it one of the most potent and important public investment tools that HUD offers to state and local governments. It is often used to catalyze private economic

			activity in underserved areas in cities and counties across the nation or to fill a financing gap in an important community project. The program's flexible repayment terms also make it ideal for layering with other sources of community and economic development financing including, but not limited to, New Markets Tax Credits (NMTC), Low Income Housing Tax Credits (LIHTC), and Opportunity Zone equity investments. We would respectfully ask that AHFA include the Section 108 program as an allowable subset of approved funds CDBG and that it is allowed to receive 2-5 points based on the same per unit scoring criteria as the other subsidy programs.
Housing Credit	Point Scoring	A-6	In section (iv) Match Contributions, subsection (a.) 5 points for projects that have a commitment from the Responsible Owner to provide 5% of the TDC as equity in the project, we believe this new scoring criteria should be removed in its entierety. On the last project we submitted, 5% of TDC would have equated to approximately 40% of the total developer fee. The developer fee serves numerous roles in these transactions, namely as an additional contingency in case of cost overruns or project issues, but it is also the primary financial incentive for development groups to compensate for: transaction pursuit costs, company operating costs, and for providing multimillion dollar transaction guarantees. All this point category does is decrease developer incentives and make the transactions more risky, which we do not believe is a prudent public policy objective.
Housing Credit	Point Scoring	A-7	In section (iv) Match Contributions, subsection (b.) 5 points for donated property, we would ask that the exclusion for property acquired with Federal resources be removed. Public Housing Authority sites were generally acquired / built with Federal resources and this category unfairly and unnecessarily descriminates against these properties in comparison to other non-PHA projects.
Plan	Point Scoring	A-8	In section (vii) Location, subsection (a.) (2.) Census Tract Location, we believe that Public Housing Authority sites should automatically get the maximum points in this category. We understand the public policy rationale for wanting affordable housing properties to be in better neighborhoods so there is a mix of incomes and we are not concentrating poverty, but with PHA sites we don't have the luxury of moving these sites to higher income census tracts. This puts these sites at an unfair disadvantage compared to other projects that have the luxury of choosing their perfect scoring sites, when these properties are in dire need of

			redevelopment. We ask that existing PHA sites automatically get the max points in this category.
Plan	Point Scoring	A-6	(iii) RENT AFFORDABILITY, (a) NEW FUNDS (2): Public Housing Authorities (PHAs) that have converted their public housing portfolio to site-based Section 8/project-based vouchers (PBV) or project-based rental assistance (PBRA) as part of HUD's Rental Assistance Demonstration (RAD) no longer receive Capital Fund Program (CFP) nor Replacement Housing Factor Funds (RHFF) in a traditional sense. Upon closing RAD transactions, PHA's CFP and RHFF balances were drawn from HUD and deposited in their Replacement for Reserve accounts. The current point structure penalizes PHAs that have converted to RAD PBV or PBRA. Upon RAD conversion, PHA's operating subsidy and CFP funding were combined and termed as a housing assistance payment (HAP) which is now funded through a PHA's Housing Choice Voucher (HCV/Section 8 Program). Based on this information, AHFA should consider CFP and RHFF funds drawn as a part of a PHA's RAD PBV or PBRA conversion as "New Funds" in an effort to make the scoring equitable for all PHAs whether they operate traditional public housing, RAD PBV or RAD PBRA.
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