

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.

8/26/2021

Name: Sharon Tolbert, CEO Organization: Auburn Housing Authority Email: stolbert@auburnhousingauth.org
Phone: 334.821.2262 ext 233

Plan Section	Section Reference	Page #	Specific Comments
Housing Credit	Point Scoring	A-1	Allocation Selection: As the Chairperson of RAD Committee of the Alabama Association of Housing and Redevelopment Authorities [(AAHRA) Alabama's Public Housing Authority state organization], AAHRA believe there should be a 10% of annual cap set-aside for the redevelopment of existing Public Housing Authority (PHA) properties with an in place Declaration of Trust or RAD Use Agreement. 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. Our communities and residents deserve an ongoing funding preference in Alabama. In addition, PHAs are the primary source of affordable rental housing in Alabama.
Housing Credit	Point Scoring	A-6	(iii) RENT AFFORDABILITY, (a) NEW FUNDS, (1): The Section 108 Loan Guarantee Program (Section 108) is a HUD-approved loan guarantee component of the Community Development Block Grant (CDBG) Program. Section 108 provides CDBG entitlement communities with low-cost, flexible financing for economic development, housing rehabilitation, public facilities, and other physical infrastructure projects. Since CDBG funds are an approved AHFA funding source, AHFA should consider including Section 108 as an approved source of new funds since the program is a component of the CDBG program. The City of Auburn is a CDBG entitlement community and offers the Section 108 program to fund housing and community development activities. The City of Auburn has received approval from the City Council to provide the Auburn Housing Authority a \$500,000 Section 108 loan to be used as gap financing to fund its proposed Ridgecrest redevelopment project. The loan is an eligible CDBG activity and supports the low-to moderate income HUD national

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			<p>objective coupled with addressing the City's 5-year Consolidated Plan of addressing affordable housing in Auburn. The Ridgecrest community was part of the AHA's RAD public housing conversion. AHA proposes to redevelop the site in an effort to transform the Ridgecrest community to eliminate the stigma associated with public housing/RAD units coupled with the ongoing redevelopment in the surrounding area. Categorizing the Section 108 loan as an approved source of new funds would allow the City of Auburn and the AHA the opportunity to transform the Ridgecrest housing community benefiting low-income families and the Auburn community as a whole.</p> <p>We 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.</p>
Housing Credit	Point Scoring	A-6	<p>(iii) RENT AFFORDABILITY, (a) NEW FUNDS (2): Public Housing Authorities (PHAs) that have converted its 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 receives Capital Fund Program (CFP) and Replacement Housing Factor Funds (RHFF) in a traditional sense. Upon closing RAD transactions, AHA's CFP and RHFF balances were drawn from HUD and deposited in its Replacement for Reserve account. 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).</p> <p>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.</p>
Housing Credit	Point Scoring	A-6	<p>(iv) MATCH CONTRIBUTIONS, (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 these new scoring criteria should be removed in its entirety. 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</p>

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			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	(iv) MATCH CONTRIBUTIONS (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 discriminates against these properties in comparison to other non-PHA projects.
Housing Credit	Point Scoring	A-7	(v) TENANT NEEDS, (d) AHFA needs to clarify "targeting households on public housing waitlist includes PHA's site-based Section 8/RAD PBV or PBRA wait list for PHAs that have converted its public housing portfolio to site-based Section 8/RAD PBV OR PBRA.
Housing Credit	Point Scoring	A-8	(vii) LOCATION (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.
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