

**SUMMARY OF CITIZEN PARTICIPATION PROCESS AND PROPOSED CHANGES
2022 HOUSING CREDIT QUALIFIED ALLOCATION PLAN, 2022 HOME ACTION PLAN,
AND 2022 NATIONAL HOUSING TRUST ALLOCATION PLAN**

In accordance with Section 42 of the Internal Revenue Code and the HOME and National Housing Trust Fund Regulations, notices of the Public Hearing and the 30-day public commenting period for the draft 2022 Housing Credit Qualified Allocation Plan, draft 2022 HOME Action Plan and draft 2022 National Housing Trust Fund Allocation Plan (Plans) were published in the Birmingham, Huntsville, Mobile, and Montgomery newspapers and on the Alabama Housing Finance Authority (AHFA) website. AHFA emailed 1,493 notices of the draft Plan's availability to interested parties, requesting that they submit oral comments at the Public Hearing or written comments regarding the proposed Plans by 5:00 p.m. CST on August 27, 2021. During the designated commenting period, AHFA received 185 written comments from 36 individuals and organizations pertaining to the Plans. The comments are attached and available for review at the following AHFA website link:

<https://www.ahfa.com/multifamily/allocation-application-information/current-year-allocation-plans>

AHFA reviewed the comments received and revised the Plans based on certain comments submitted. A summary of the proposed changes to the Plans are attached. Once the final Plans have been formally approved, we strongly encourage each reader to review the final Plans completely to view any changes made by AHFA in their full context. When revisions have been finalized and approved, the Plans will be available for review in their entirety at the following AHFA website link:

<https://www.ahfa.com/multifamily/allocation-application-information/current-year-allocation-plans>

AHFA wishes to thank the many individuals and organizations who provided comments during the commenting period. While all comments were carefully reviewed and considered, only the most equitable comments pertaining to the process for the entire state and the variety of program participants resulted in changes being made to the final Plans. As the administrator of the Plans, AHFA's goal is to develop written criteria for the Plans that will provide equal access to all types of affordable housing developments, which include but are not limited to: various construction types (new construction, acquisition, rehabilitation, and adaptive reuse, etc.); diverse target populations (families, seniors, persons with mental and physical disabilities, Veterans, and homeless populations, etc.); and geographical characteristics (rural, metropolitan, qualified census tracts, distressed areas, etc.). In attempting to reach varied needs and population types across the state, our greatest challenge is to develop a fair and balanced allocation methodology with the intent to ensure that all applications, regardless of the targeted population and construction type, will have a fair chance of competing during each Application Cycle.

To that end, please keep in mind that certain perceived scoring impediments for a particular type of organization can be offset by other incentives in the Plans, which may not be necessarily applicable to other types of organizations. In addition, please consider that the Plans are not intended to serve as a replacement for other discontinued housing programs, which may have had different standards, costs, or otherwise. This is especially true as it relates to construction design standards. Any applicant that proposes to include design standards that significantly exceed AHFA standards or to include other design standards mandated by other programs must obtain additional funding sources to offset any additional costs, assuming the project's costs exceed AHFA's definition of reasonable costs. As an alternative and when feasible, applicants should consider submitting an application for Multifamily Housing Revenue Bonds, which are subject to availability, provided on a first-come, first-served basis, and subject to the criteria and requirements of the applicable Plan.

Addenda:

- A. Summary of Proposed Changes to the 2022 Housing Credit Qualified Allocation Plan
- B. Summary of Proposed Changes to the 2022 HOME Action Plan
- C. Summary of Proposed Changes to the 2022 National Housing Trust Allocation Plan
- D. Written Comments Submitted to AHFA

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Summary of Proposed Changes to the 2022 Housing Credit Qualified Allocation Plan

	Section Page Reference*	Section Name	Description of Change(s)
Addendum A: Point Scoring System	A-2	Project Selection Procedures	The following tiebreakers were added: <ol style="list-style-type: none"> 1. In the event there is a tie in scoring among two or more applications, then a recommendation will be made for the application that has a Related Owner that registered, by October 15, 2021, and is participating in the Emergency Rental Assistance Alabama Streamlined Application Processing Pilot Program for AHFA-Funded Projects. 2. In the event there is a tie in scoring among two or more applications, then a recommendation will be made for the application submitted by a Responsible Owner that did not exchange or received an additional allocation of Housing Credits or HOME funds on a prior-funded 2018, 2019, or 2020 AHFA Project.
	A-7	(iv.) Match Contributions	Points for Match contributions were removed. Effective September 30, 2021, in response to the COVID-19 Pandemic, Alabama received a Match waiver extension to include FY2022.
	A-7	(iv.) Tenant Needs	To preserve affordability, 1 point was added for projects that waive their right to a Qualified Contract for the duration of the Extended Use Period.
	A-8	(v.) Project Type	Points were increased for projects that re-paid 100% of the AHFA HOME Loan and for projects that closed a 15-year extension of the AHFA HOME loan.
	A-8	(vi.)(a.)(1.) Neighborhood Services	Due to the lack of grocery stores in rural areas, existing multifamily projects located in rural areas, may submit the best option available for the grocery store (i.e., Dollar General, convenience store, etc.) for points.
	A-9	(vi.)(a.)(2) Census Tract Location	This section was revised as follows: A maximum of 4 points will be given to a project located in a Census Tract where the 2020 Estimate Tract Median Family Income from the Federal Financial Institutions Examination Council (FFIEC) Census and Demographic Data is equal to or higher than the following percentages of the county's 2021 Median Family Income published by HUD. <ol style="list-style-type: none"> 1 point – 70% to less than 80% 2 points – 80% to less than 90% 3 points – 90% to less than 100% 4 points – 100% or more

* Referenced pages were based upon draft versions of the Plans presented on the AHFA website in advance of the public commenting period. Page references in final versions of the Plans may not coincide with those versions of the Plans presented during the public commenting period.

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Addendum B: Environmental Policy Requirements	B-7	8.a. Asbestos Testing	Clarified the testing and licensing requirements for asbestos.
	B-7 & B-8	9.a. Radon	Clarified the testing and licensing requirements for radon.
Addendum C: Design Quality Standards and Construction Manual	C-6, C-11, C-16	Other Exterior Standards	Added a minimum height requirement of 6 feet for qualifying multi-trunk trees.
	C-8, C-13, C-17	Interior Building and Space Standards	The energy efficient light fixture required in the kitchen was further defined as either a 4-foot-long fluorescent fixture or LED Light fixture.
	C-8, C-14, C-18	Interior Building and Space Standards	Energy Star ceiling fans with light kits are only required in the living room and each bedroom where the ceilings are 9' or greater. Light kits for all ceiling fans must be furnished with Energy Star LED lamps.
Addendum E COVID-19 Pandemic Response		COVID-19 Pandemic Response	Addendum E was added to the Housing Credit QAP to help mitigate the increased costs and delays caused by the COVID-19 pandemic. Owners of projects that received 2018, 2019 or 2020 Housing Credits, that are not Placed in Service prior to January 1, 2022, and demonstrate the need for an additional allocation of Housing Credits or for an exchange, may request an additional allocation of Housing Credits and/or an exchange of their current Housing Credits for 2022 Housing Credits.

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Summary of Proposed Changes to the 2022 HOME Action Plan

	Section Page Reference*	Section Name	Description of Change(s)
HOME Action Plan	11	F. Uses of HOME Funds	The anticipated uses of HOME funds were updated for the 2022 estimated HOME allocation of \$11,227,286.
Addendum A: Point Scoring System	A-2	Project Selection Procedures	<p>The following tiebreakers were added:</p> <ol style="list-style-type: none"> 1. In the event there is a tie in scoring among two or more applications, then a recommendation will be made for the application that has a Related Owner that registered, by October 15, 2021, and is participating in the Emergency Rental Assistance Alabama Streamlined Application Processing Pilot Program for AHFA-Funded Projects. 2. In the event there is a tie in scoring among two or more applications, then a recommendation will be made for the application submitted by a Responsible Owner that did not exchange or received an additional allocation of Housing Credits or HOME funds on a prior-funded 2018, 2019, or 2020 AHFA Project.
	A-6	(iv.) Match Contributions	Points for Match contributions were removed. Effective September 30, 2021, in response to the COVID-19 Pandemic, Alabama received a Match waiver extension to include FY2022.
	A-7	(iv.) Tenant Needs	To preserve affordability, 1 point was added for projects that waive their right to a Qualified Contract for the duration of the Extended Use Period.
	A-7 & A-8	(vi.)(a.)(1.) Neighborhood Services	Due to the lack of grocery stores in rural areas, existing multifamily projects located in rural areas, may submit the best option available for the grocery store (i.e., Dollar General, convenience store, etc.) for points.
	A-8	(vi.)(a.)(2) Census Tract Location	<p>This section was revised as follows:</p> <p>A maximum of 4 points will be given to a project located in a Census Tract where the 2020 Estimate Tract Median Family Income from the Federal Financial Institutions Examination Council (FFIEC) Census and Demographic Data is equal to or higher than the following percentages of the county's 2021 Median Family Income published by HUD.</p> <p>1 point – 70% to less than 80% 2 points – 80% to less than 90% 3 points – 90% to less than 100% 4 points – 100% or more</p>

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Addendum B: Environmental Policy Requirements	B-7	8.a. Asbestos Testing	Clarified the testing and licensing requirements for asbestos.
	B-7 & B-8	9.a. Radon	Clarified the testing and licensing requirements for radon.
Addendum C: Design Quality Standards and Construction Manual	C-6 & C-12	Other Exterior Standards	Added a minimum height requirement of 6 feet for qualifying multi-trunk trees.
	C-8 & C-13	Interior Building and Space Standards	The energy efficient light fixture required in the kitchen was further defined as either a 4-foot-long fluorescent fixture or LED Light fixture.
	C-9 & C-14	Interior Building and Space Standards	Energy Star ceiling fans with light kits are only required in the living room and each bedroom where the ceilings are 9' or greater. Light kits for all ceiling fans must be furnished with Energy Star LED lamps.
Addendum E COVID-19 Pandemic Response		COVID-19 Pandemic Response	Addendum E was added to the HOME Action Plan to help mitigate the increased costs caused by the COVID-19 pandemic. Owners of projects that received an allocation of HOME funds in 2018, 2019 or 2020, have not been Placed in Service more than 6 months prior to the application submission, and demonstrate the need for an additional HOME allocation to offset cost overruns, may request an additional allocation of HOME funds.

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Summary of Proposed Changes to the 2022 National Housing Trust Fund Allocation Plan

	Section Page Reference	Section Name	Description of Change(s)
National Housing Trust Fund Allocation Plan			No changes were made to the final 2022 National Housing Trust Fund Allocation Plan.