| **Plan Section** | **Section Reference** | **Page #** | **Commenter Name/ Company** | **Comments Received** | **AHFA Response** |
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| **Draft 2019 HTF** | F. Maximum Allocation of HTF | 4 | Chris Retan/Aletheia House | The intent of the changes in Section F are positive. There will be some projects that will not be feasible with a $1,350,000 allocation. AHFA should set an early deadline for projects to submit applications that are under the cap amount so there is plenty of time it is resolicit proposals from developers that need additional funds to submit an application that is more than $1,350,000.  In addition, projects should be able to apply for up to $2,700,000 with the understanding that they will be receiving funding from two different years. | Per the Plan, no project will be allocated more than $1,350,000 of HTF funds during any HTF program year; provided, however, that AHFA may allocate funds in excess of this amount to one or more Projects during any HTF program year to ensure commitment of AHFA’s unallocated HTF funds by applicable deadlines if all of the following conditions exist:  1) AHFA has unallocated HTF funds that are at risk of expiring if not allocated by applicable HUD deadlines;    2) The Projects need additional HTF funds to balance proposed sources and uses for the Project; and    3) There are not enough viable applications pending.  No changes will be made. |
| **Draft 2019 HTF** | G. Maximum Per-unit Development HTF Subsidy Limits | 5 | Chris Retan/Aletheia House | The maximum per unit development subsidy should be eliminated. It should be replaced with a requirement that cost be reasonable and developers may be required to justify costs that are included in a proposal. | This is a statutory requirement.  No changes will be made. |
| **Draft 2019 HTF** | I. 1) e. Leveraging | 8 | Chris Retan/Aletheia House | The leverage points should be changed to match the points in the HOME and tax credit application. The current proposal which provides a maximum of 25 points for subsidies of $350,001 does not make any sense. Any project with other funding equal to $350,001 does not need HTF Funds. In addition, a project that has a cost of $350,001 per unit would likely not be considered to have reasonable costs. | Points in this category are flexible and for non-federal funding sources. Sources may include, but are not limited to, value of donated land, funds for the purchase of land, construction financing, permanent financing, furnishings and operating subsidies.  The points in the category will be changed as follows:  25 points - $75,001 + per unit  15 points - $50,001 - $75,000 per unit  10 points - $25,000- $50,000 per unit |
| **Draft 2019 HTF** | General Comment |  | Chris Retan/Aletheia House | Due to the restriction on the rents and the 30-year affordability period, these projects will have much more risks than a tax credit project. In addition, the developer will not be able to apply for additional funds to make capital improvement after 15 years like a tax credit project can. AHFA should encourage developers to add to their operating deficit reserve and replacement reserve by underwriting the projects so they do not need any debt. They should be underwritten so there is no debt but 75% of the annual free cash flow should be required to go to one of the two reserves. This will increase the likelihood funds will be available to make repairs or fill operating gaps, especially in years 11-30. | Thank you for your comment.  No changes will be made. |
| **Draft 2019 HTF** | General Comment |  | Chris Retan/Aletheia House | AHFA staff have indicated the project will be flexible in making exceptions to the design standards. This is important since most of these projects will be much smaller than tax credit projects and will need different designs that will be less costly. It would be helpful to confirm this flexibility in the plan. | The HTF application process provides that applicants who cannot meet the required Design Quality Standards submit a Deviation Request to AHFA at the time of application. |
| **Draft 2019 HTF** | D. Eligible Activities | 3 | Mary Ellen Judah/Neighborhood Concepts | Please consider amending the plan to allow HTF funds to be used for acquisition/rehabilitation of existing units. For smaller projects such as we would propose for HTF, it is becoming increasingly difficult to identify properly zoned vacant lots, but there are numerous substandard rental homes available that could be acquired & rehabilitated at less cost and at greater benefit to the surrounding neighborhood through the removal of blight and substandard housing, Zoning and NIMBYism challenges become less problematic. Environmental clearance does often present a greater challenge, but it is not insurmountable and has been done successfully with other federal funds that carry the same environmental requirements. | HTF statutory regulations require that a project remain affordable and in compliance for 30 years. Due to limited funding, HUD rehabilitation standards and maintenance costs, AHFA will continue to administer the HTF program to provide funds for new construction of decent, safe and sanitary rental housing.  No Changes will be made. |
| **Draft 2019 HTF** | G. Maximum Per-Unit Development HTF Subsidy Limit | 5 | Mary Ellen Judah/Neighborhood Concepts | Please consider an increase in per unit cost to account for the fact that smaller unit developments are typically more expensive to build than larger multifamily developments that benefit from economies of scale. Recent surveying of Madison county homebuilders indicated hard construction costs in excess of $100 per square foot. Perhaps a sliding scale based upon the number of units might be considered. | The maximum per-unit development HTF subsidy limits were increased by a total of 10% from previous limits, according to bedroom size.  No additional changes will be made. |
| **Draft 2019 HTF** | I. 1) c. Rental Assistance | 7 | Mary Ellen Judah/Neighborhood Concepts | We agree that projects that can attract rental assistance are desirable, providing much needed financial assistance to ELI populations and helping ensure the financial stability of the property. However, rental subsidy resources are increasingly difficult to secure. We would request a reduction in the amount of points allocated to this category and suggest adding a category that allocated points to projects with a firm commitment to provide appropriate resident services which would also support resident and property stability. | AHFA prepared the HTF Plan in accordance with HUD provisions. Accordingly, the Plan prioritizes funds to projects with additional Federal, State, or local project-based rental assistance thereby further encouraging rental affordability for extremely low-income families.  Applicants must provide a written plan detailing their efforts to coordinate and integrate the proposed-HTF-funding rental units with other support services programs and other mainstream resources targeted to ELI populations.  No changes will be made. |
| **Draft 2019 HTF** | I. 1) d. Duration of HTF Affordability Period | 8 | Mary Ellen Judah/Neighborhood Concepts | We also support extending the ELI affordability period, but would suggest a deed restriction rather than demonstration of long term financial feasibility as projections that extend beyond +/- 15 years are rather unreliable. | The HTF statute specifies a mandatory 30-year affordability period.  No changes will be made. |
| **Draft 2019 HTF** | I. 1) e. Leveraging | 8 | Mary Ellen Judah/Neighborhood Concepts | Please consider revising the per unit limits for points awarded for leveraging, as smaller projects will not be able to compete with larger projects. As example, the development of a quadplex would need to have at least $400,000 in non-federal sources to receive any points, which is doable since construction financing is counted in determining points. However, that same quadplex would need to have $1,400,000 in non-federal sources, which is well in excess of the expected total development costs, to maximize points. There is concern that this point category unintentionally favors larger developments. | Points in this category are flexible and prioritize non-federal funding sources needed to develop and operate the proposed housing. Sources may include, but are not limited to, value of donated land, funds for purchase of land, construction financing, permanent financing, furnishings and operating subsidies.  No changes will be made. |