ATTACHMENT 1

HOME Program - 2015 Housing Credit Qualified Allocation Plan and HOME Action Plan Summary of Public Comments and AHFA Responses

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
2015 HOUSING CREDIT QUALIFIED ALLOCATION PLAN **I. Housing Credits**	C.1 Application Criteria	6	Gary Hall, Alabama Council for Affordable and Rural Housing, Inc. (ALCARH) Amy Montgomery, The Gateway Companies	**__Issue__: Last year (2014), AHFA unveiled a new on-line application for use in the 2014 cycle. We commend you on your attempts to make information more readily available, computerized, and easier to complete. As you are aware, there were a few bugs in the system and some of the application proved to be difficult to work with.** **__Proposed Solution__: We recommend that the AHFA conduct its workshop 60 days ahead of the application cycle and provide more specific training on completing the on-line application.**	**2014 applicants are registered in the system and will not require new registration. Only first time users are required to register.** **Existing users may login to Authority DMS and affiliate new team members expected to be involved in an anticipated 2015 online application now.** **New users may submit a registration request to the system in anticipation of submitting a 2015 application. AHFA recommends strongly that new users take advantage of this opportunity to set up an account in advance of the application deadlines.** **Training videos regarding registration and affiliating organizations is tentatively scheduled to be posted on AHFA.com by January 2015.** **Additional training**
	C.1. Application Criteria	6	Terry Mount, Development Services, Inc.	**We strongly request AHFA conduct a workshop on the new on line application. The application is very different from past applications and is very difficult to understand all of the relationships and links that must be made with all partners, consultants, third parties, and others that must be entered into the system that must be done to then be able to complete an application.** **States such as Tennessee are conducting training as they feel there is difficulty in the DMS product. They have modified their system to not require as much depth in the ownership structure on line and limited some of the linking and input of various parties, consultants, and vendors. They also have developed some**	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				spreadsheets and guides to assist with DMS.	**concerning Authority DMS will be offered at the 2015 HOME/Housing Credit Application Workshop.**
	C.2 Application Criteria	8	Mary Ellen Judah, Neighborhood Concepts, Inc.	**Please consider an increase in maximum # of units allowable for HOME funded properties to allow properties, particularly those in communities with lower AMI and max rents, to benefit from economies of scale associated with larger properties**	**No changes will be made to the maximum number of units (56) allowed for HOME funded properties.**
	D.3 Project Inspection Fee	9-10	Sam Johnston, Arbour Valley Development	**The fee should be based on properties inspected, not number of applications with owners having little AHFA experience. For example, two applications having an identical ownership structure should pay only $2,000—not $4,000.**	**According to Section I.D.3 of the 2015 Housing Credit Qualified Allocation Plan, "AHFA will select, at a minimum, one property for inspection based on the AHFA Schedule of Real Estate Owned submitted by the applicant. Any portion of the deposit that is not needed to complete the project inspections will be returned to the applicant within fifteen (15) business days after AHFA's allocation process is complete."** **AHFA does not intend to conduct multiple inspections on the same applicant. Inspections will be**
	D.3 Project Inspection Fee	9-10	Gary Hall, Alabama Council for Affordable and Rural Housing, Inc. (ALCARH) Amy Montgomery, The Gateway Companies	**Issue: What is the purpose of the Project Inspection (fee) shown in Item D3? Is the purpose to inspect one deal for each owner who has less than 3 projects and that is the basis for potential loss of points associated with compliance? If so, why would those having less than three deals only be inspected and have possible points deducted on ONLY one deal, while those persons who have done many deals in Alabama, be subjected to possible point losses for ALL of its deals. This seems unfair to those developers who have been working over the longest period of time in Alabama.**	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				Proposed Solution: Consider the point deductions for compliance in relation to the number of deals that the owner has. For example, those owners who have 10 deals, the point loss would be divided by the total number of units in its portfolio that were inspected during the relevant time period. For example, for Owner 1 (who has 30 projects), AHFA inspected a total of 500 units and lost 1 point. Then the total deduction from Owner 1's application would be 1/500 or .002. For Owner 2 (who has less than 3 projects) the total number of units AHFA inspected units was 50 and lost 1 point. Then the total deduction from Owner 2's application would be 1/50 or .02. This could also help with ties if you are basing on a % of an Owner's total portfolio which AHFA inspected over the relevant time period.	**determined after the Schedule of Real Estate Owned form is submitted for the 2015 applications.**
	D.3 Project Inspection Fee	9-10	Terry Mount, Development Services Inc.	**The inspection of projects by owners with fewer than 3 AHFA projects is unfair to owners with multiple properties in AL that are inspected annually or biannually. Alabama owners have much more exposure. We recommend more than 1 project be inspected, with a minimum of 2.**	
	D.5 Extension Request Fee(s)	10	D.5 Extension Request Fee(s)	**Extension fees should not be cumulative. The greatest time penalty there is to an owner or developer is the inability to get developer fee.**	The deadlines for the reservation items have been extended. Therefore, no changes will be made

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	D.5 Extension Request Fee(s)	10	Win Yerby, Hollyhand Development, LLC	**AHFA imposes extension fees based on benchmark target dates included in the reservation agreement. The benchmarks in the reservation letters are largely unrealistic and unattainable for projects that involve alternative financing, the complicated regulatory approvals required in large jurisdictions, or have anything but "cookie cutter" off the shelf plans. Accordingly, the fees arbitrarily penalize projects that are creative or require more work due to their location or jurisdiction. Since these fees have increased significantly they impose substantial penalties and arbitrarily penalize uses of the tax credit program that can have a positive impact on communities.**	**regarding the extension fees. It is the responsibility of the applicant to work within the timeframes established by AHFA. Applicants that elect to pursue specialized financing structures should factor into account any potential delays and extension fees when preparing the project's budget and timeline. An Environmental Extension Penalty Fee in the amount of the initial reservation fee will be charged for each project that accepts a current or future year allocation of Housing Credits under Section II (I) (11) of the Plan.**
	D.7 Change Order(s)	11	Mary Ellen Judah, Neighborhood Concepts, Inc.	**Please consider a reduced change order fee for certain routine items which do not require substantial AHFA staff time such as a change in resident services. Additionally, when a change is requested for an entire portfolio rather than an individual property (i.e., request to change management company for all properties in portfolio), please consider assessing one fee**	**No revisions will be made regarding the change order fees.**

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				for that request rather than $500 per property	
	D.13 Plan and Specification Review Fee	11	Terry Mount, Development Services Inc.	**Is the AHFA proposing in 2015 to make all approved deals pay a Plan & Specification Review Fee or only Tax Credit only projects?**	**Up to $2,500 will be charged to Housing Credit approved projects. AHFA will engage a third-party construction consultant to review the project's final plans and specifications to ensure that they meet AHFA's Design Quality Standards and all additional requirements the applicant certified to in order to receive funds for the application.**
	D.14 Changes in Ownership	11		**Special limited(s) (investor/syndicator) should be removed.**	**AHFA performs the same review and approval process when there is a proposed change in the ownership involving a special limited partner. Therefore, a $2,500 fee will be charged for an AHFA-approved ownership change involving a special limited partner as well.**
II. Allocation Process	C.5 Application Threshold Requirements - Market Study	14	Mary Ellen Judah, Neighborhood Concepts, Inc.	**Determining market demand early in the process is essential to successful development, but timing associated with QAP publication dates makes it problematic to receive the final market study 30 days prior to application. Please consider alternative submissions 30 days in advance of application that achieve**	**AHFA will release underwriting numbers in advance of the AHFA HOME/Housing Credit Application Workshop. The underwriting numbers have remained consistent for the past 5 years. AHFA**

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				AHFA's objective such as evidence that market analyst has been retained and/or preliminary internal market analysis has been performed.	anticipates no material changes in said criteria. The deadlines for submitting the market study and environmental site assessment will not change.
	C.5 Application Threshold Requirements - Market Study	14	Terry Mount, Development Services, Inc.	**Receiving AHFA underwriting criteria as early as possible is essential for developers and owners. Rents for developer /owner underwriting cannot be set until AHFA criteria is known. Rents are typically set as low as possible to insure the successful lease up and occupancy of the project. Without knowing AHFA projected minimum tax credit pricing to estimate equity, operating expenses per unit, and perm loan rates, rents become mere guesses that cannot be finalized until after the workshop and underwriting criteria is given. Once this criteria is known rents may be established to support the required first mortgage. With the floating tax credit rate, not knowing tax credit pricing or AHFA projected interest rates, market studies could not be expected to be very accurate indicators of project feasibility.** **Please issue AHFA underwriting criteria at least 30 days in advance of submission of market studies.**	
	C.5-6 Market Study and Environmental Site Assessment	14	Kevin Buckner, TBG Residential	**Given the final QAP is not published until December, making the developer submit the market study and ESA thirty days prior to the application submittal date is difficult to achieve. Often times unit mixes**	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				can change and rents can change in the last month. This puts an undue burden on the development team to make sure that the financial projections are in line with the final application.	
	C.5-6 Market Study and Environmental Site Assessment	14	Ann Marie Rowlett, Rowlett & Company, LLC	**Since developers are not provided with underwriting criteria until the LIHTC workshop it is going to be a hardship to have market studies and environmental reports due to AHFA 30 days in advance of the application deadline. All of the development numbers depend on the underwriting and finalizing rents and amenities for projects can't be done until the underwriting criteria is known. It would be helpful if AHFA could have the workshop 60 days before applications are due so that developers can make sure that their projects are feasible before they incur substantial costs for market studies and environmental reports.**	
	C.5-6 Market Study and Environmental Site Assessment	14	David Morrow, Morrow Realty Company	**If the due dates for the Market Study and Environmental Site Assessment are 30 days ahead of the application due date, then the final QAP and all guidelines and clarifications as to those two reports should be finalized and posted on the AHFA website 90 days prior to the application due date in order for the analysts to timely complete the reports and allow developers sufficient time to review the reports prior to submission to AHFA. This will enable developers to more easily**	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				incorporate the information contained in these reports into the application. We recommend that AHFA allow these reports to be submitted either 15 days before the application due date or simultaneously with the applications due to unforeseen circumstances that may come up such a phase II environmental and additional time for working with the market analyst to change unit mix.	
	C.5-6 Market Study and Environmental Site Assessment	14	Gary Hall, Alabama Council for Affordable and Rural Housing, Inc. (ALCARH) Amy Montgomery, The Gateway Companies	**<u>Issue</u>: The due dates for the market study and Environmental Site Assessment (30 days ahead of the application period) are challenging, at best, for developers. While we understand that AHFA is attempting to require the reports early so they can be read and incorporated into the applications, the reality is, that because the AHFA does not provide underwriting information until approximately 30 days ahead of application, too, it is difficult to know what rents are proposed by the Owners until after the underwriting information is released. In turn, that information on proposed rental rates is generally not available to give to the market analyst until after the underwriting information is known. The same ideas apply to an Environmental Survey. Developers don't really know if a deal is going to work until the underwriting information is released. Developers are trying not to incur costs**	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				associated with market studies and environmental reports until we can determine if a deal is going to be feasible (underwriting terms). Many deals are ultimately not submitted because of market study or environmental failures. Proposed Solutions: We suggest that AHFA have its training workshop 60 days ahead of the application due date, then require the market study and environmental 30 days ahead of the application. This will enable developers to more easily incorporate the information contained in these reports into the application. If this is not possible, we recommend that at least the underwriting information be released 60 days ahead of the applications so that developers may better prepare their applications taking the contents of the market study and environmental reports AND underwriting into consideration. A third solution is to go back to allowing these reports to be submitted simultaneously with the applications. We have found that the majority of developers are communicating with their analysts (market study and environmental) simultaneously with the reports being prepared, so that if there is a problem with either report, ultimately, the applications for those deals do not ever get submitted as full applications.	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	C.8 Design Quality Standards	14	Paula M. Rhodes, Norstar Development	**The Addendum references should be Addendum C, Addendum D, and Addendum E; Addendum B is the Environmental Policy.**	**The Addenda references will be corrected in the final Plans.**
	C.11 Flood Certification	15	Kevin Buckner, TBG Residential	**AHFA should allow Housing Credit projects without HOME to be built on property that has wetlands on site. Ground disturbance can be limited to 100' feet from any wetland area. We see no adverse actions to the sustainability of our projects when there are wetlands on site.**	**Wetland mitigation will not be allowed. Wetland areas must be carved off the site prior to application submission to ensure the timely production of affordable housing. Further, allowing wetlands on a site would result in additional costs to the project in owners' management and AHFA monitoring of those areas for the duration of the affordability period.**
	C.12 Site Location	15	Michael Bodaken, National Housing Trust	**AHFA might consider revising its definition of rehabilitation to include properties with less than 50% occupancy. In our experience, each property ought to be evaluated on an individual basis, and sometimes even the most blighted, high-vacancy developments can make successful preservation stories. One example of this is St. Dennis Apartments in Washington, DC, where an affordable property left in disrepair by a negligent landlord was saved by the hard work and dedication of the only remaining tenants, Eva Martinez and her two daughters. Partnering with**	**Rehabilitation properties with less than 50% occupancy will continue to be considered when determining the 2-mile radius of AHFA approved projects. Once a property is rehabilitated, it will provide additional rental units in the market.**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				NHT/Enterprise, the Martinez family helped to preserve and rehabilitate the building, ensuring the long-term affordability of 32 energy-efficient units for low-income families and individuals. For more information on how this property was preserved, please see the accompanying document.	
	D.15 Negative Actions	17	Gary Hall, Alabama Council for Affordable and Rural Housing, Inc. (ALCARH)	Applicants should not be held to a standard of hindsight review of what they should have known regarding environmental site conditions. The environmental site assessment speaks for itself and if it reports unsatisfactory conditions, the AHFA has authority to terminate the application. As drafted, AHFA's requirements would seem to essentially require an environmental site assessment as a prelude to the actual environmental site assessment.	AHFA agrees that applicants should not be held to a standard of hindsight review of what they should have known regarding environmental site conditions. That is why applicants will be held to the standard established in *Addendum B – AHFA's 2015 Environmental Policy*. AHFA may reject any application/project which does not comply with these standards. If an application's ESA results recommends further investigation, then AHFA may reject the application and project. If a recognized environmental condition

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
					(REC) is identified at any time during AHFA's involvement with an application/project, the REC will be fully investigated and remediated or mitigated in accordance with all applicable regulations to AHFA's satisfaction. Costs incurred for these measures will be the responsibility of the owner. **Applicants are advised to choose their sites wisely.**
	E.1.(iii) Financial Feasibility	18	Greg Wright, Greystone Affordable Housing Initiatives	**Recommended Revision: - Section E (1)(iii) - AHFA will require the project to establish and maintain throughout the extended use period a minimum operating reserve. The operating reserve will be an amount equal to six months of the projected first year operating expenses (3 months for USDA RD-financed projects) plus three months of debt service.** **Justification: Establishing a capitalized operating deficit reserve account equal to 6-months of Operating Expenses plus 3-months of debt service creates an unnecessarily large reserve and undue burden on small RD properties that already have other operating protections in place due to the unique structure of RD**	**No change will be made to the operating reserve requirements.**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				transactions. Specifically, cash flow distributions (RTO) on all RD projects are restricted by and subject to annual approval by USDA. The maximum amount available for distribution is determined at acquisition, is recorded in the loan agreement between the Borrower and RD, and does not escalate over time. Any excess cash above the RTO must *remain* with the property in the project's General Operating Account (GOA) - an account that is monitored closely by RD. As a result of the restricted dividends, RD properties naturally build up surplus funds over time and become a source of operating cushion for any unexpected deficits without the need for a separate restricted escrow account. This is very different from the traditional, non-RD property, as most others are permitted to distribute available surplus cash to partners at the end of the year – thus, not building available reserves for future deficits. With a slightly lower reserve requirement (3 month Operating Expense Debt Service Reserve), RD projects could afford to (1) allocate more development funds to property improvements (construction/renovations), and (2) more projects would be financially feasible, allowing increased preservation of	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				the much needed affordable housing in rural markets.	
	E. 1.(iii) Financial Feasibility	19	Greg Wright, Greystone Affordable Housing Initiatives	**<u>Recommended Revision</u>: - Section E (1)(iii) - AHFA will require the project to establish and maintain throughout the extended use period a minimum replacement reserve account of a) $250 per unit annually for new construction projects for the elderly, b) $300 per unit annually for all other projects. The annual per unit deposit for USDA RD projects will be determined based on the lesser of $300 per unit per year or the annual deposit amount as determined by RD.** **<u>Justification</u>:** **The minimum balance of $300 is not based on the actual capital needs of a project, nor does it take into consideration any pre-funded replacement reserve balances from acquisition. RD requires each project to fund an annual deposit to the replacement reserve account that 1) satisfies all capital needs for the upcoming 20 years (as determined by an independent capital needs assessment approved by RD), and 2) maintain a minimum positive balance in the reserve account at the end of each year. In addition, the identified costs to satisfy the 20 years of capital needs incorporates a 3% inflation factor in order to ensure sufficient funding available for future capital needs. This more restrictive**	**No changes will be made to the replacement reserve requirements.**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				requirement by RD exceeds the 15-year LIHTC compliance period and is longer than most 3rd party lender requirements. However, RD will allow the initial cash balance that is required to be transferred from the seller to the purchaser to be used to effectively reduce the annual per unit transfer requirement. Thus, for those properties with large starting cash balance may result in a required ADRR less than $300, providing the above restrictions are maintained. The opposite may also be true – in order to satisfy the 20 year capital needs, an annual transfer amount greater than $300 may be required. **For projects that undergo an extensive renovation or have a large pre-funded balance, the AHFA minimum requirement of $300/unit could cause an overfunding of the reserve account and a larger burden on the project. Since the projects must maintain minimum debt service requirements, rents must be raised in order to fund the $300 per unit annual reserve deposit, which doesn't benefit the project or the tenants. Therefore, we request the AHFA restriction be modified to allow for the reserve amount to be as determined by RD for applicable properties.**	
	E.1.(iii) Financial	19	David Morrow, Morrow Realty	**If the law changes, we request that each acquisition and rehabilitation application**	**If legislation is enacted that allows the Housing Credit**

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	Feasibility		Company	**be underwritten using a fixed credit percentage regardless of whether the project is or is not located in a QCT/DDA.**	**rate(s) to be fixed at four (4) percent and/or nine (9) percent, the applicable fixed rate(s) will be used to underwrite all applications.**
	E.1.(iii) Financial Feasibility	19	Gary Hall, Alabama Council for Affordable and Rural Housing, Inc. (ALCARH)	**AHFA should use, as the applicable housing credit rate, the rate which is provided for in law at the time the valuation is made. Thus, if the rate is floating, as it currently is, it should be computed using a 3 month average of the applicable credit percentage. Alternatively, if Congress acts to again fix the housing credit rate at 9%, then 9% should be used in all cases.**	
	E.1(iii) Financial Feasibility	19	Terry Mount, Development Services, Inc.	**The 3 month average of the floating nine (9) percent Housing Credit Rate that is to be used for the underwriting of proposed projects in a QCT or DDA, should be used in all 2015 application underwriting until the rates are fixed at the 9%.** **AHFA should be sure to allow Developers and owners to submit letters from syndicators as to the expected credit pricing per application as the price of credits will vary with site location within the state.**	
	E.1.(iii)	19	David Morrow, Morrow Realty Company	**If the law changes, we request that Multifamily Housing Revenue bond applications be underwritten using a fixed 4% rate regardless of whether they are or are not located in a QCT/DDA. It the law changes, we request that acquisition and rehab Housing Credit application be**	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				underwritten using a fixed applicable credit percentage regardless of whether or not they are located in a QCT/DDA.	
	E.1.(iii) Financial Feasibility	19	Win Yerby, Hollyhand Development, LLC	**"For projects located in a QCT and/or DDA, AHFA will underwrite each application using a 3-month average of the applicable credit percentage." Many expect Congress to pass legislation fixing the credit rate at the full 9% credit in the lame duck session after the election (the Senate has passed legislation this session to do that). If they do, underwriting QCT deals at a floating rate will unduly penalize QCT's and undermine the purpose of the QCT credit bump. If Congress so acts for the 2015 allocation year, the AHFA should consider underwriting QCT projects at the full 9% rate.**	
	F.1-2 Developer and Builder Fees	20-21	Gary Hall, Alabama Council for Affordable and Rural Housing, Inc. (ALCARH)	**ALCARH believes this cap limitation on the developer fee if any of the existing development team remains is detrimental to successfully redeveloping existing HOME Projects. If the development team has successfully owned and managed the project for up to the last 20 years, AHFA should not promote the sale or transfer of the ownership interest through limiting the developer fees. Conversely, this discourages the pay-down/ pay-off and extension of HOME loan by limiting the amount of developer fees available. Delete the second sentence in each section which provides a development fee limitation for**	**The developer fee (new construction and rehabilitation), which includes the developer's overhead and profit plus consultant fees and the owner's profit, cannot exceed 15 percent of the total project costs (excluding the developer fee).** **The developer fee (acquisition) on Rural Development projects will be capped at 8 percent.**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				projects which have HOME loans which have been extended. **In addition to, or as an alternative to, the previous comment, exclude from the owner cap in Section II.G.(3) the redevelopment of any project which has a HOME loan which has been extended.**	**If an existing HOME project applies for Housing Credits in the 2015 cycle and is selected for funding the Housing Credit award will count toward the owner/project cap.** **All 2015 HOME and Housing Credit awards will count towards the applicable owner/project cap.**
	F.1-2 Developer and Builder Fees	20-21	David Morrow, Morrow Realty Company	**Please confirm that these cap limitations apply only to the original owners, principals, individuals and/or related entities when the project was awarded and not to persons on the new development team that may have purchased an interest in the project or otherwise became involved in the project after the award. For example, if Party B purchases the ownership interest in the project from Party A several years after the project is completed, Party B would not be subject to the developer cap in this section.**	
	F.1-2 Developer and Builder Fees	20-21	Mary Ellen Judah, Neighborhood Concepts, Inc.	**Please reconsider proposed developer fee limits on existing HOME/RD/LIHTC properties proposed for repositioning with new allocations where the original owner is remaining in the development. Although the owner may have benefitted from a full developer fee on the original development; the time, cost and efforts associated with negotiating the exit of the original investor LP and the risks associated with the new guarantees that will be required of the owner warrant a full developer fee**	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	F.1-2 Developer and Builder Fees	20-22	Amy Montgomery, The Gateway Companies	**Issue: Do HOME loan extensions (either a 5 year or 15 year) count toward HOME caps in the 2015 cycle? What about tax credits for rehabbing expiring HOME loans. Do they count toward the caps for Tax Credits?** **Proposed Solution: HOME loan extensions should not be counted toward owner caps. If they do count and if owners are applying for and want to be awarded a NC deal in the same cycle, then the credits they receive on an expiring HOME deal will not count toward owner caps so long as they will accept a 5% on developer fee on the acquisition and 8% on NC (which is too low for developers to be keep the doors open) on the expiring HOME deal in that cycle. If the Owner is not applying for another deal in the cycle, they could be awarded a 15% developer fee and it will be counted toward owner caps.**	
	G.3 Owner and Project Cap	21-22	Gary Hall, Alabama Council for Affordable and Rural Housing, Inc. (ALCARH)	**Issue: There should be some incentive for developers that have these expiring HOME loans to still be permitted to compete for new construction deals in the same cycle as when they are applying for tax credits for an expiring HOME loan.** **Proposed Solution: If owners are applying for and want to be awarded a NC deal in the same cycle, then the credits they receive on an expiring HOME deal will not**	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				count toward owner caps so long as they will accept a 5% developer fee on the acquisition on the expiring HOME deal in that cycle. If the Owner is not applying for another deal in the cycle, they could be awarded a 15% developer fee and it will be counted toward owner caps.	
	I.5 Progress Requirements After Reservation	23-25	Mary Ellen Judah, Neighborhood Concepts, Inc.	**Please consider additional time to meet progress requirements related to design, permitting and construction closing. As currently scheduled, the deadlines discourage innovation in design as owners often adapt plans from previous developments in order to meet municipal deadlines for submission. An additional 15-30 days would allow the development team to design a project that best fits the character of the site and surrounding neighborhood.**	**The 90-day reservation deadline will be extended from fifteen (15) days to 105 days and the 105, 135, and 165 days deadlines will each be extended by thirty (30) days. If any unforeseen or unusual environmental condition(s) not otherwise identified after completing the AHFA's environmental requirements is discovered with respect to a project that received an award of HOME funds, Housing Credits, or both, under this Plan or for any prior year, and such unforeseen environmental condition(s) results in the inability of the project to place-in-service by the deadline established under Section 42, AHFA may elect**
	I.5 Progress Requirements After Reservation	23-25	Kevin Buckner, TBG Residential	**Please consider extending the 165 days to receive building permits and land closing. Large cities like Huntsville can take several planning commission meetings and multiple steps prior to submitting building plans. The City's building department can take up to six weeks to approve plans and then must be signed off by each individual department. These actionable items are out of our hands. As developers we have all the incentive to close and being penalized for a City that cannot meet our deadline seems unreasonable. We would**	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				request an additional 30 days.	to exchange the Housing Credits awarded to the project for a current or future year allocation of Housing Credits, subject to the applicant's payment of the environmental extension penalty specified in section I.D. herein and the applicant's compliance with Addendum B and with all other conditions specified by AHFA based on the specific nature of circumstances of the project.
	I.5 Progress Requirements After Reservation	23-25	Win Yerby, Hollyhand Development, LLC	**The AHFA should move financing commitment, plan submission and financing closing target dates back by 60 days to match the reality of the development process.**	
	I.5 Progress Requirements After Reservation	24-25	Terry Mount, Development Services, Inc.	**The AHFA deadlines do not allow for the additional complications added by newer zoning and building codes as well as the delays caused by merging of different financial subsidies such as AHP, CDBG, local HOME, PHA funds, and others. The existing AHFA time frames/deadlines were established years ago and are no longer accurate estimations of time for development steps. Even AHFA's own approval standards take longer than in years past thanks to newer codes and regulations. The existing time frames also assume obtaining "building permits" in rural areas such as Phil Campbell are the same in urban areas as the City of Birmingham.** **A further consideration is that the term "building permit" is no longer applicable in many areas. This often results in needless delays and penalties. Many areas now have many permits and approvals necessary for the construction of a project including PUD's, site disturbance permits, site improvement permits, demolition permits, fire marshal approvals, and sanitary sewer construction and approval,**	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				all prior to the issue of a "building permit". We have 2 possible recommendations to establishing time frames/deadlines; The first is that the AHFA look at its own portfolio of deals in the 4 major metro areas of Huntsville, Birmingham, Montgomery, and Mobile as to the average length of time taken typically between deadline items; 3.) & 4.) (ii) Construction cost estimate summary - until permits are in hand in major metro areas, construction cost numbers typically do not include all city requirements, (iii) Detailed cost schedule - schedule may be submitted but without a beginning date until permits in hand, (iv) Standard AIA Form of Agreement between owner and contractor (AIA form) -contact will not be accurate with contract numbers nor time of construction note or agreement construction. 4.) & 5.) (i) A copy of lender's executed construction note or agreement - a requirement of many lenders is permit(s) (ii) Take full possession of the site.....warranty deed - need construction loan closing to purchase, (iii) Original recorded Declaration of Land Use Restrictive Covenants - construction lender must sign at construction loan	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				closing, (iv) Proof of Project commencement.....Notice to Proceed..... - this is also dependent upon permits and construction loan closing. The current draft QAP calls for these items to occur at 30 day intervals once plans are complete at Deadline 3.) The second recommendation for time frames/deadlines in the 4 major metro areas is that these intervals be increased to 60 days each. We also recommend that in areas where multiple permits and approvals are required that AHFA recognize the one that allows actual work to begin on site first. This avoids the confusion of not being able to begin construction without a preconstruction meeting that cannot occur without a "building" permit that cannot be received without the prior work being done.	
Addendum A - Point Scoring System	Narrative – Paragraph 2	1	Gary Hall, Alabama Council for Affordable and Rural Housing, Inc. (ALCARH) Amy	**__Issue__: In Addendum A 2015 Point Scoring System states in paragraph 2 that "any point category ....may not be carried (or brought) forward to (or from) any future (or past) program year by any entity, individual or application". How does this apply to points lost for Compliance for inspections which occurred prior to this QAP being published as final? See also**	AHFA compliance deadlines are documented in the Plan. The compliance period associated with point deductions for the 2015 application cycle are April 1, 2014 – December 31, 2014. Moving forward, projects

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
			Montgomery, The Gateway Companies	**Exhibit E. item E which states that points will be deducted based on inspections conducted May 1 – December 31, 2014. This is BEFORE the draft QAP was published?** **<u>Proposed Solution</u>: AHFA should base point deductions for Compliance on inspection occurring AFTER the date of publication of the QAP until the week before applications are due to AHFA.**	**will be audited in accordance with the plan in effect at the time of the audit. Plans are typically approved in December of the preceding year. The compliance cycle will be January 1 – December 31 under the 2015 Plans.** **Point deductions to an application will be based on inspections during the compliance period for the previous year.** **Tracking owner and management company performance is not considered a carry forward in the same context.**
	Narrative – Paragraph 3	1	Chris Retan, Aletheia House	**In 2014, there was an error in scoring that resulted in two projects being funded in Mobile and Lauderdale Counties. To address this error, no projects should be funded in these counties in 2015 until all of the other counties that have qualified projects have had one project funded.**	**Generally, AHFA will fund one project per county. Given the continued need to provide decent, safe, and affordable rental housing statewide, it is inappropriate for AHFA to exclude any county from consideration.**
	1. Awards Selection	1	Sherry Atchison, Volunteers of America Southeast	**Under the CHDO final rule, the CHDO must be the owner of a subsidiary in the partnership. In addition, the CHDO or its wholly owned subsidiary must be the sole**	**Neither HUD nor AHFA has a preferred structure for CHDOs as each is unique. Organizations are**

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				general partner (LP) or sole managing member (LLC). Does AHFA have a preferred structure to meet these new guidelines?	**encouraged to seek guidance from legal counsel regarding potential structures that meet the CHDO guidelines and are best suited for the organization.**
	1.)(i)(a) Project Characteristics	3	Rory McKean, McKean & Associates, Architects, LLC	**Clubhouse/Community Building/Community Room, community laundry: Change washer and dryer to 1 for every 25 units due to washer/dryer connections being provided in the units. Typically washers/dryers in the Community Building are not used enough when connections occur in units. Georgia QAP allows 1 to 25 and it has been acceptable. (Reduce to 1 for every 20 units at a minimum if 1 to 25 is not acceptable.)**	**No change will be made to the required number of washers and dryers.**
	1.)(i)(a) Project Characteristics	3	Rory McKean, McKean & Associates, Architects, LLC	**Exterior Security Package: Take out requirement for "alarms". Site security systems typically don't have audible alarms since management personnel are not on site 24/7 to verify problems.**	**No change will be made to the exterior security package requirements.**
	1.)(i)(a) Project Characteristics	3	Rory McKean, McKean & Associates, Architects, LLC	**4 Points for amenities: Add "Covered Picnic Pavilion with a minimum of 2 tables and 2 grills". This would allow larger groups to gather.**	**Four (4) points will be added for a covered picnic pavilion with a minimum of two (2) tables and two (2) grills.**
	1.)(i)(a) Project Characteristics	3-4	Rory McKean, McKean & Associates, Architects, LLC	**3 Points for amenities: Add an "Arts & Crafts Room". Room shall have a stainless steel sink and storage. This would be used a lot in elderly projects. Family projects could use this space for after school activities. May call this an "Arts & Crafts/Activity Room".**	**Points will not be added for providing arts and crafts or wellness rooms. AHFA sets a minimum standard for amenities. Developers may structure/tailor the specifics of selected amenities to the**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				3 Points for amenities: Add a "Wellness Room" at elderly projects. Room would have a private toilet and counter with sink. It would be used to provide tenants with onsite access to professional medical screenings and health education.	**needs/preferences of their targeted tenant population.**
	1.)(i)(a) Project Characteristics	3-4	Kevin Buckner, TBG Residential	**Reaching the 25 point maximum is expensive. Items like individual washer and dryer are expensive. Exterior Security Packages are not terribly expensive to install, but keeping them running through 35 years is an operating expense that most properties cannot afford, storm shelters are in the neighborhood of $100,000 to build and though they are great to have it is difficult to make the numbers work given the increase in over-all building costs. We would suggest reducing the maximum points in this category to 22.**	**The maximum points for providing optional amenities will not be reduced.**
	1.)(i)(a) Project Characteristics	4	Rory McKean, McKean & Associates, Architects, LLC	**Picnic area with grills: 1 grill for every 15 units is a very high ratio. Projects are being built with a picnic area with 1 table and 3 grills to meet this requirement. Change to 1 grill for every 25 units. Suggest defining a picnic area as a concrete pad with a picnic table and a grill on an accessible route. Allow developers to select up to 2 picnic areas for a total of 4 points which allows more use by different tenant groups. If a project needed 3 grills, 2 picnic areas could be selected for points**	**Picnic Area with grills will require one (1) grill for every fourteen (14) units, one (1) picnic table for every two (2) grills.**

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				and have a grill at the Gazebo. A project that needs 4 grills could select 2 picnic areas for points and a Picnic Pavilion noted above to satisfy grill requirements.	
	1.)(i)(a) Project Characteristics	4	Rory McKean, McKean & Associates, Architects, LLC	**Walking Trail with Benches: Suggest moving to a 3 point item due to the cost involved for a Walking Trail.**	**The walking trail with benches will be moved to the three (3) point amenity category.**
	1.)(i)(a) Rehabilitation Projects Only	5	Rory McKean, McKean & Associates, Architects, LLC	**(d.) remove the words "storm windows". In most cases the windows should be replaced on a rehab project. Storm windows do not correct the problems with old windows.**	**Points will be awarded for replacing windows with thermal break insulated or extruded vinyl windows. The requirement to replace all windows with storm windows will be removed.**
	1.)(ii) Energy Conservation and Healthy Living Environment	5	Rory McKean, McKean & Associates, Architects, LLC	**(a.) 14 SEER HVAC Units are required under Addendum C, Design Quality Standards. 14 SEER Units now have an HSPF of 8.2. For points, require a 15 SEER with an HSPF of 9.0.**	**Points will be given for HVAC of 15 SEER (HSPF of 9.0) or above.**
	1.)(ii) Energy Conservation and Healthy Living Environment	5	Rory McKean, McKean & Associates, Architects, LLC	**(c.) Water Heaters with 0.93 EF has become the standard for a 40 gallon water heater. For points, require a higher efficiency of 0.95 EF minimum for all water heaters in the Apartment Units.**	**Points will be given for high efficiency water heaters with a 0.95 EF minimum.**
	1.)(ii) Energy Conservation and Healthy Living Environment	5	Rory McKean, McKean & Associates, Architects, LLC	**e.) Add points for providing LED light bulbs at all light fixtures, including the ceiling fans with light kits. The only exception would be the 4' fluorescent fixture at the Kitchen.**	**LED light bulbs will not be added as an energy conservation point item. They will remain optional.**
	1.)(iii)(a) Rent Affordability	5	Michael Shafer, Community Action	**We wrote a letter a while back requesting that NeighborWorks Capital Grant funds be included in the sources, under Rent**	**NeighborWorks Capital Grant funds will be included as an additional subsidy for**

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
			Partnership of North America	**Affordability, as leveraged subsidy toward obtaining points under this section. I see in the QAP where it identifies "Capital Fund Program Grant". Could you please confirm that the NeighborWorks Capital Grant funds would be eligible for receiving the points associated with these criteria?**	**points.**
	1.)(iii)(a) Rent Affordability	5-6	Tom Champion, Gulf Coast Partners	**Other non-government sources, such as permanent financing from multiple sources and private money from individuals should be awarded subsidy points.**	**AHFA encourages the use of other funding sources. However, points are not awarded for sources other than those listed in the Plans. AHFA is open to expanding the funding sources included in the Plans, but specific sources must be identified and detailed information on each proposed source must be provided to AHFA for consideration no later than during the public comment period for each Plan.**
	1.)(iii)(a) Rent Affordability	5-6	Chris Retan, Aletheia House	**Please consider providing points for projects that provide additional subsidy from national or regional foundations that have an independent allocation process that cannot be influenced by the developer. For example, the Home Depot foundation provides grants of $100,000 - $500,000 for the development of housing for veterans. The link to the website describing the process to apply for these funds is:**	**The Home Depot Foundation Grants will be included as an additional subsidy for points. All subsidies must meet all HOME and Housing Credit rules.**

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				http://homedepotfoundation.org/page/veteran-housing-grants.	
	1.)(iii)(a) Rent Affordability	5-6	Terry Mount, Development Services, Inc.	As AHFA gives points for additional subsidy, as it says on page 18, "Local government resources, philanthropic efforts and other funding sources are critical........" Therefore allow points for other things that have dollar value such as land or work donated by a unit of government, waived fees, etc.	Various other funding resources can aid in the sustainability of the project, however, points will not be awarded for donated land, waived fees, or donated work from a local unit of government.
	1.)(iii)(a) Rent Affordability	5-6	Sandy Goff, Goff, LLC	The QAP list AHP funds as a source of additional funding. However, for several years HUD as changed the funding of AHP funds. Applicants are required to have a tax credit reservation before applying for AHP Funds. Most other sources of additional subsidies are mostly available to Housing Authorities.	These Points will continue to be awarded for a commitment of the Federal Home Loan Bank's AHP funds.
	1.)(iii)(a) Rent Affordability	5-6	Kevin Buckner, TBG Residential	We would request that the language for points given for an AHP award be deleted. The varying cycle dates of the application are very problematic. There are other issues such as to actually win an award we would already have to have received an award of credits.	
	1.)(iii)(a) Rent Affordability	5-6	Butch Richardson Olympia Construction, Inc.	Allow points for applying for funds instead of requiring a firm commitment. The point values indicated here are too excessive. Also, some of the allowable funding sources are not directly available to all developers, therefore a reduction in the point emphasis should be considered or a removal of some funding sources from the	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				list.	
	1.)(iii)(b) Rent Affordability	6	David Morrow, Morrow Realty Company	**According to the AHP Competitive schedule posted on the FHLB-Atlanta website, AHP applications will be accepted starting in June 2015 and ending in July 2015, which is after the AHFA application due date. To qualify for the funds, you will be under-subsidized if AHFA underwrites only committed sources and if you have sufficient committed sources, AHP will not allocate funds. Thus applying for AHP will not get the funds, so it should not be a point item for making an application for AHP.**	**The point incentive for submitting an application for the Federal Home Loan Bank's AHP funds will be removed from the Plans.**
	1.)(iii)(b) Rent Affordability	6	Gary Hall, Alabama Council for Affordable and Rural Housing, Inc. (ALCARH)	**ALCARH recommends that points for submitting an application for AHP funds in the 2015 Federal Home Loan Bank' s annual competitive cycle be removed for the following reasons:** **The competitive cycle dates vary so much and change so frequently, that it makes it very difficult to get an application for AHP funds submitted in the timeframe that coincides with the AHFA tax credit cycle. For example, the Federal Home Loan Bank of Atlanta' s 2015 competitive AHP cycle does not begin until June of 2015. This would make it impossible to apply before the March Alabama cycle.** **Also, AHP funds are intended to be used as gap filler. Some FHLB's (such as**	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				Atlanta) make it impossible to score high enough to be competitive unless a project already has an allocation of tax credits. With the underwriting needed to have a project deemed financially feasible by AHFA, you cannot have a gap. Yet, the FHLB wants to see a gap in order to justify allocating the AHP funds. **Another requirement to be competitive in the AHP cycle is to target very-low income families (those at 50% or less of area AMI with 50% rents). This restricts the market so much that it can hinder a project' s ability to maintain high occupancy levels and can otherwise increase the gap in an amount greater than the AHP funds.**	
	1.)(iii)(b) Rent Affordability	6	Butch Richardson Olympia Construction, Inc.	**The points for "applying" for AHP funds should be eliminated- OR- if points for "applying" for funds is considered acceptable, then also allow the points for only "applying" for any of the funds as listed in paragraph (a) of this Section. Only 3 Federal Home Loan Banks had an offering in 2014 that would permit an applicant to apply by or before the AHFA deadline. While FHLB's do fund out of their district, a Sponsor within the district must be obtained. Most Sponsor banks want to participate in other aspects of the deal and the AHP Application gives points for additional participation by the Sponsor. Alabama Applicants would have**	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				to go far outside our home district to find a FHLB offering and a Sponsor to even apply for a fund that is extremely difficult to obtain.	
	1.)(iii)(b) Rent Affordability	6	Tom Champion, Gulf Coast Partners	**There are other bank regions that have AHP application rounds. However, member bank sponsors are limited to the number of applications they can sponsor.**	
	1.)(iii)(b) Rent Affordability	6	Terry Mount, Development Services, Inc.	**FHLB AHP programs typically have different time frames/ deadlines from the AHFA Tax Credit Program and have lower income targeting requirements. Most also target deep social need populations such as 30% and below. Some require a tax credit reservation in hand in order to score enough points to be considered for funding. It is literally impossible to match up the Atlanta FHLB's AHP program with AHFA's HOME & QAP. Banks that may align better are those far away and have little interest in Alabama.**	
	1.)(iii)(b) Rent Affordability	6	Ann Marie Rowlett, Rowlett & Company, LLC	**There are 12 federal home loan banks throughout the country, all with different application/funding cycles. I have researched all 12 banks and am attaching my findings here.** ****(see below)*** **None of the 12 banks have published their 2015 implementation plans as of the date of this comment. Based on their funding cycles from 2014 only 2 banks may possibly have a cycle in which it would be feasible to apply – San Francisco and Indianapolis.**	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				Topeka's cycle opened March 3rd, 2014, but even with this date one could not get an application submitted by mid-march due to the member bank's requirements that they have completed applications submitted to them at least 2 weeks prior to the application deadline. Although I supposed it might be possible to apply with these banks, it is very unlikely that you will find a member bank interested in investing in a housing development in Alabama. The most logical bank to use for projects in Alabama would be Atlanta, but their cycle is not opening until June 2015. The rounds for all these banks change and vary every year and very rarely coincide with the timing needed to apply for tax credits in Alabama. I would request that the points for this item be removed from the QAP.	
	1.)(iv)(b) Tenant Needs	6	Mary Ellen Judah, Neighborhood Concepts, Inc.	**Please reconsider requirement that a proposed rehabilitation must already have 3 bedroom units in order to qualify for points. A recently completed rehabilitation in Huntsville converted existing 2 bedroom units to 3 and 4 bedroom units in order to provide adequate living space for families living in the property who had been living in overcrowded conditions, had outgrown their current apartment unit and were unable to identify alternate affordable 3 & 4 bedroom units.**	Housing Credit Plan does not prevent the conversion of one and two bedroom units to three bedroom units. However, points will not be awarded unless 15 percent of the units have three or more bedrooms in place at the time of application.

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	1.)(iv)(b) Tenant Needs	6	Tom Champion, Gulf Coast Partners	**The 15 percent three-bedroom unit requirement for points is problematic for older properties. Existing properties should be allowed to combine smaller units or use additional land on the site to develop 15 percent of the units as three-bedroom units.**	
	1.)(vi)(a) Project Type	7	Paula M. Rhodes, Norstar Development	**Awarding points in the QAP for repayment of AHFA HOME loans in whole or in part provides and incentive to applicants with outstanding HOME loans to return funds to AHFA thereby increasing resources available for additional affordable housing units. AHFA is then able to loan these funds to new applicants and spread limited resources further. Providing incentives for actions that increase AHFA resources makes sense; however, the incentive should not disadvantage applicants who are not requesting HOME funds. Those applicants seeking only Housing Credits should not be impacted by incentives intended to increase the pool of HOME funds available for distribution.** **In order to apply the incentive in a manner that both encourages repayment of AHFA HOME loans and does not negatively impact applicants not seeking HOME funds the incentive should be employed as a tie-breaker – perhaps the first tie-breaker – in determining which**	**Points will be given for the rehabilitation of a project with an existing HOME loan that matures prior to or within the year covered by the applicable Plan. In order to be eligible for these points, the proposed project must have paid 100 percent of the HOME loan (principal and interest) or received an AHFA approved 15-year extension of the HOME loan.**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				applications will receive HOME funding or provide points for purpose of making HOME awards. The additional points could then be dropped from the remaining HOME applicants' scores for purposes of scoring Housing Credit applications. Alternatively, the impact of the HOME points should not be further magnified by permitting applicants seeking funds for rehabilitation of an existing AHFA HOME funded project to receive points under both Project Characteristics and Applicant Characteristics for the same HOME loan repayment. Under Section A.1.)(vi.)(a), 4 points will be given for the rehabilitation of an existing AHFA HOME funded project. The proposed project must have repaid 100% by the maturity date or have paid 30% or more of the HOME loan (principal and interest) and have been approved by AHFA for an extension of the outstanding HOME balance. And under Section A.2.)(v), A maximum of 4 points will be given to an owner listed in any application for the repayment of an existing HOME Loan. In order to avoid double counting points for the same funds repaid to AHFA, points under these two sections should be capped at 4 points in the aggregate.	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				Based on the foregoing, we recommend the following language be added to the end of A.1.)(vi)(a.): No more than 4 points in the aggregate will be given under this Section 2.)(v) and Section 1.)(vi)(a.).	
	1.)(vi)(a) Project Type	7	Terry Mount, Development Services, Inc.	**AHFA should revise this to allow existing HOME deals to gain these points if restructuring plans are submitted that show that during restructure HOME loan will be paid off or down by a 30% or more instead of requiring prepayment first. Restructuring may depend upon new tax credits and new financing contingent upon those tax credits. This would level the playing field for Nonprofits and smaller developers and owners. It would also help in the preservation and re-freshening of AHFA's portfolio.** **AHFA should incentivize refinancing of rural poor HOME deals. Many of these deals do not cash flow; most barely pay their expenses. If the project cannot pay a min of 30% of HOME loan balance then there are likely no other ways to reposition and keep property from deteriorating and becoming obsolete. AHFA at one time encouraged "Black Belt" deals by not requiring perm loan debt.** **We recommend that these deals be given point advantages or even separate applications that allow re-freshening with**	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				new tax credit equity and new permanent loan debt. Existing HOME loans should be paid down as funds are available and balances restructured for a minimum of 15 years to match the new tax credits.	
	1.)(vi)(a) Project Type	7	Gary Hall, Alabama Council for Affordable and Rural Housing, Inc. (ALCARH)	**The AHFA's current HOME loan restructuring policy is detrimental to the existing HOME properties in very poor, mostly rural, areas of Alabama. Detrimental issues include:** **POLICY: Points are given only to those applications for the rehabilitation of existing AHFA HOME projects that have either paid off its HOME loan or a minimum of 30% of its HOME (including principal and interest) and has been approved for an extension of HOME loan balance.** **ISSUES: Properties in these areas have appraised/market values well less than the existing HOME loans. Therefore, any owner must use other financial resources for payment on the HOME loan. Many of these properties are "owned" by non-profits or other persons that do not have these financial resources available to them.** **For profit owners that may have the resources must put them at risk with no guarantee that the project will meet**	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				enough current scoring guidelines. POLICY: Properties unable to pay the full principal with interest will have to apply for an extension at a fee of 1.5% at unspecified terms. Projects that cannot pay off a minimum of 30% will not be eligible for additional funding under AHFA programs. ISSUES: Many rural deals have large HOME loans as a result of such low incomes in these areas. On a $1 million HOME loan, an extension fee would be $15,000. Many of these properties and their owners, including non-profits, cannot pay 30% of their HOME loan with interest. These properties being 20 years old will have physical issues that need addressing. Many of these issues are beyond what the replacement reserves can pay and need significant rehab of the major building systems. As these properties cannot pay the minimum 30%, they will continue to deteriorate. At some point, the properties will experience high vacancies and will become no longer viable to the AHFA. RECOMMENDATIONS: Have a Goal of	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				allowing HOME deals that have reached the end of year 15 and have had investor LP exit to be refreshed/preserved as affordable by submitting for tax credits along with a plan showing pay off or pay down of HOME loan. All proposed financing would have firm commitment letters. **Additional requirements could be:** • **Allow to be exempt from competitive rounds or provide point scoring for deals of this nature.** • **Require capital maintenance plan establishing viability of property for an additional 15 years.** • **Require a market study to establish need.** **EXAMPLE: Jackson - Johnson Townhomes (960015) was developed by ACHR, a nonprofit out of Auburn, AL, in Marion, AL. The project is (32) 2 BR and (10) 3 BR townhomes. At one time this project was used by trainers at the Development Training Institute in their CHDO training courses for HUD as an example of how low you could go with the use of HOME dollars. This project had $223,074 credit reservation, a perm loan of $51,500 (4.25%, 20 year amortization &**	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				term) and a HOME loan of $1,245,000. **Net rents were less than $200 when the property was initially placed in service. Today the max gross rents for 50% & 60% income families are $536 & 566 respectively for 2 BR units and $619 & $733 for 3 BR units. Jackson – Johnson' s 2014 Budget has gross rents of $513 & $596, less $183 & $213 for UA's resulting in net rents of $330 & $383 per month; or $162,916 for the year after an 7% vacancy factor. Management does a great job of keeping operating expenses at $3,741/unit ($157,170 annualized) or below AHFA's guide of $4,300/unit ($180,600 annualized)** **Using the 2014 budget, there should be annual (?) cash flow of approximately $5,746 which clearly makes it difficult for the property to support any additional debt proceeds that could be used to pay off or pay down the $1,245,000 HOME loan.** **Even a full $500,000 in FHLB of Atlanta AHP would leave a debt balance whereby this property could not create enough cash flow to service an amortizing loan.**	
	I.)(vi)(b) Project Type	7	Tom Champion, Gulf Coast Partners	**Points awarded for Alabama Historic Rehabilitation Housing Credits should be changed to points awarded for Federal and/or Alabama Historic Rehabilitation Housing Credits.**	One (1) point will be given for rehabilitation of existing buildings that provide sufficient evidence that the project qualifies for Federal

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
					and/or Alabama Historic Rehabilitation Housing Credits.
	1.)(vi)(c) Project Type	7	Denny Blackburne, Woda Group	**AHFA should further define the requirement for documenting that the proposed application is "replacement of previous multifamily housing".**	**Replacement of previously existing multifamily housing is defined as multifamily housing that has been removed within the last two (2) years or will be removed for new replacement housing on the same site. The existence of the previously existing multifamily housing must be documented (i.e., photos, title records, tax assessor's report, etc.). Requirements will be outlined in the AHFA Multifamily Application Instructions.**
	1.)(vi)(c) Project Type	7	Mary Ellen Judah, Neighborhood Concepts, Inc.	**Please clarify definition of "previously existing multifamily housing". Does it have to be on same site as previous housing, is there a limit on length of time that may have elapsed since housing ceased to exist, how will it be documented, etc.**	
	1.)(vi)(c) Project Type	7	Kevin Buckner, TBG Residential	**We would request that the 1 point given for the replacement of multifamily housing or replacement of previously existing multifamily housing be removed. We feel this will give PHAs an unnecessary advantage. PHAs are the only organization that really have the ability to replace existing housing, plus they have other point scoring items that allow them to be more than Competitive (i.e. RAD funds).**	
	1.)(vi)(c) Project Type	7	David Morrow, Morrow Development Company	**We request that, "replacement of multifamily housing or replacement of previously existing multifamily housing" not apply to projects that previously received tax credits. Why should rehab of previously existing tax credit multifamily housing be encouraged? There is probably a very good reason it is previously existing**	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				rather than currently existing.	
	I.)(vi)(c) Project Type	7	Michael Bodaken, National Housing Trust	Our nation faces a serious shortage of housing for low- and moderate-income families. Over the last decade, more than 15% of our affordable housing nationwide has been lost to market-rate conversion, deterioration, and demolition. Over 7,200 critical affordable housing units are at risk in Alabama. These affordable apartments currently provide homes for some of Alabama's lowest-income families and elderly citizens. By prioritizing preservation, Alabama's Qualified Allocation Plan can provide the incentives necessary to prevent the loss of this indispensable affordable housing. Property owners, nonprofit organizations, developers, and local governments depend on state housing finance agencies to provide the financial and technical assistance necessary to preserve affordable housing for future generations. Preserving and rehabilitating existing housing has proven to be a cost-effective method to provide rental housing to low-income families and seniors. In 2012, AHFA used approximately 63% less tax credit per low income unit rehabilitated than for a newly constructed unit: $4,966 per low-income unit preserved compared to $13,409 per low-income unit built. The Trust supports AHFA's efforts to	The Plans currently provide incentives for rehabilitation and preservation properties.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				encourage preservation by awarding points to rehabilitation proposals in the scoring criteria. But this may not be enough to prevent loss in Alabama's affordable multifamily housing stock with 7,264 assisted units in properties with Section-8 contracts expiring by 2018. The Trust urges AHFA to award more selection points for preservation projects and projects in danger of losing federal subsidies. **This would help to encourage preservation and offset points more readily available to new construction projects in the scoring criteria, such as points for a swimming pool or washer/dryer hookups in each unit.** **While awarding more points for preservation is a good start, even more can be done with Alabama's QAP to advance preservation.** We encourage AHFA to create a tax credit set-aside for proposals involving the preservation and rehabilitation of existing multifamily rental housing in the final 2015 QAP.	
	1.)(vii)(a)(1) Neighborhood Characteristics	7	Ann Marie Rowlett, Rowlett & Company, LLC	**Distance to services should be scored on a tiered scale and include points for services within 3 miles. This would assist rehab projects, especially in rural areas.**	**No changes will be made to the neighborhood services or the distance to those services for points.**
	1.)(vii)(a)(1) Neighborhood Characteristics	7	Amelia Johnson TBG Residential	**Currently, the QAP offers 10 points for Neighborhood Characteristics if a site is within 2 miles of the 5 services listed. If a site is not within 2 miles of all services, the**	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				application is not competitive. Could AHFA add services to the list so that there are a few more choices, while still keeping a maximum of 10 points? Many sites that are in higher income census tracts (worth 2 points) are not necessarily within 2 miles of all 5 services listed, but are within 2 miles of services that address tenants' everyday needs. Examples of services that could be added are "big box" stores like a regular Walmart or Target (not limiting points to only supercenters), a dentist office and a Regional Mall.	
	1.)(vii)(a)(2) Census Tract Location	7-8	John Wall, John Wall and Associates	**On pages 7-8, it says you can get two points where Median Family Income for 2010 is 80% or more of the county's current Median Family Income.** **It is not clear to us what is meant by "current Median Family Income (MFI)". We have clients with different opinions.** **Following the link takes us to the FFEIC webpage. None of the available reports has a county MFI. We are not sure if you intended us to use the MSA/non-MSA income from the FFEIC, the HUD MFI for the county (from the income limits) or something else. The "non-MSA" MFI is the average for all the counties outside of MSAs.** **Another idea is that you intend to use the**	A maximum of two (2) points will be given to projects located in a census tract where the Median Family Income from the 2010 census data (2010 ACS 5-Year) is equal or above the following percentages (round down) of the county's 2014 Annual Median Family Income published by HUD: 1 point for 60% - 79% 2 points for 80% or more. To assist applicants, AHFA will publish a listing of the census tracts and family median incomes which will

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				"Tract Median Family Income %" column in the FFEIC reports. If that is the case, you could specify that the "Tract Income Level" in the FFEIC report is Middle or Upper. In any case, we hope you can clarify that item in the final QAP.	be posted on the AHFA website prior to the application cycle. No changes will be made in the tie-breakers.
	I.)(vii)(a)(2) Census Tract Location	7-8	Sam Johnston, Arbour Valley Development	**The latest census tract data set (2008-2012) needs to be used rather than 2006-2010 which occurred during the great recession. The 2006-2010 census tract data is out of whack with 2014 county data which reflects a brighter economic environment.** **Revert to last year's threshold of 60% of county Median Family Income. 80% significantly limits available sites.**	
	I.)(vii)(a)(2) Census Tract Location	7-8	Denny Blackburne, Woda Group	**Disclose why the median family income tracts were increased from 60 percent to 80 percent.**	
	I.)(vii)(a)(2) Census Tract Location	7-8	Sandy Goff, Goff, LLC	**Revise Census Tract locations to reflect 60% or more of the county's median family income as in 2014 QAP**	
	I.)(vii)(a)(2) Census Tract Location	7-8	Michael Bodaken, National Housing Trust	**The Trust recognizes AHFA's efforts to expand affordable housing to areas of high opportunity, by awarding points to developments in Census Tracts with a high median income. But doing so must not be at the expense of existing low-income communities.** With that in mind, the Trust urges AHFA to balance the allocation of tax credits for new construction and the preservation of existing housing, particularly where existing housing is	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				principally occupied by low income minority households. **That is the essence of the Fair Housing Law, i.e. , that resources be expended to increase the chances for opportunity ("pro integration") and that minorities residing in distressed neighborhoods, who want to stay and improve their homes, get fair access to federal resources to accomplish that ("anti-discrimination") By striking a balance between incentivizing new construction in communities of opportunity and investing in existing neighborhoods where low income residents already live, AHFA will:** **• Preserve existing affordable housing occupied by low-income households and avoid discrimination against those households by catalyzing investment and development in those neighborhoods.** **• Build environmentally sustainable communities. Renovating an existing property provides an opportunity to create a healthier living environment, lower operating costs, and save taxpayer money. Renovating an existing building also consumed less energy than new construction.** **• Use public resources efficiently, as preservation is more cost effective than new construction – rehabilitating an existing affordable apartment can cost**	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				one-third to one-half the cost of new construction.	
	1.)(vii)(a)(2) Census Tract Location	7-8	David Morrow, Morrow Development Company	**We understand AHFA is encouraging development of projects in higher income areas. We recommend that AHFA go with a 3-tiered point system with 1 point awarded for tracts at 60% or more of county MFI, 2 points for tracts at 70% and 3 points for tracts at 80% or more. We request that the Median Family Income percentage be calculated using the census tract's 2014 estimated MFI and the County's 2014 estimated MFI from the FFIEC website. This would ensure a more current income percentage to more accurately reflect the MFI percentage, avoid calculation errors since the calculations are computer calculated on the FFIEC website instead of using hybrid manual calculations, simplify the process by using the percentage already calculated by FFIEC website, and help to ensure AHFA is accurately accounting for and reporting data for complying with any impediments to fair housing. Alternatively, use the 2010 actual numbers for both the tract and county MFI since the FFIEC already calculates the MFI percentages this way for consistency purposes.**	
	1.)(vii)(a)(2) Census Tract Location	7-8	Kevin Buckner, TBG Residential	**Finding AMI tracts in a census tract this is equal to or greater than 80% of the AMI leaves out very good development areas. We would ask to have that reduced back to**	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				last year's standards. Another solution would be to offer 2 points for an 80% tract and 1 point for a 60% tract.	
	1.)(vii)(a)(2) Census Tract Location	7-8	Paula M. Rhodes, Norstar Development	**As with the 2014 QAP, the draft 2015 QAP makes 2 points available to applicants with developments located in census tracts that meet or exceed a stated percentage of the relevant county's Median Family Income (MFI). In 2014, the threshold for these points was 60% and for 2015 that number has been raised to 80%. This furthers the policy goal of de-concentrating poverty by encouraging location of affordable housing developments in areas that will provide a better environment and greater opportunity for the development's residents.** **An unintended consequence of awarding points for higher income census tracts is that it undermines revitalization and redevelopment efforts in Qualified Census Tracts (QCT) also aimed at providing better environments and greater opportunities as part of an overall plan that will stimulate business and attract all income levels to areas with a high concentration of poverty and little opportunity for residents.** **Section 42 (m)(1)(B)(III) provides, Qualified Allocation Plans must establish**	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				preferences for "projects which are located in qualified census tracts (as defined in subsection (d)(5)(C)) and the development of which contributes to a concerted community revitalization plan." Indeed, the 2015 QAP, as with prior QAP's, provides a tie-breaker preference for developments in QCTs supported by a local revitalization plan: 5. If a tie(s) still remains, priority will be given to the project which is located in a Qualified Census Tract and is supported by its respective governmental entities approved Revitalization plan. However, tie-breakers are only relevant to the extent sufficient points are earned for the application. Under the current draft of the QAP, if given the choice between developing affordable housing in a census tract where the MFI is 80% or more of the relevant county's MFI and doing the same development in a QCT included in a local government's revitalization plan, a rational developer will select the former every time. To avoid the unintended consequence of undermining local government revitalization efforts, either the QCT tie breaker should be moved to the Points	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				Gained section of the QAP and awarded the same 2 points as the 80% MFI census tracts or the 80% MFI census tract item should be moved to the same tie-breaker as QCTs. One concern faced addressed by states that have strengthened the Section 42 QCT preference in their QAPs is the possibility the "concerted community revitalization plan" could be manipulated so that mere support of an individual project by the relevant local government would qualify an applicant for the preference. States that have addressed this have focused on the "concerted community" language in Section 42, making qualification contingent upon the project being part of a larger revitalization effort that has been in place for some specified period of time and with respect to which funds have already been expended and portions of the revitalization plan implemented. Based on the foregoing, we recommend that a new item (3) be added to Addendum A, Section A.1.)(vii)(a): (3) Targeted Redevelopment Area. 2 points will be given to a project located in an area targeted by local government for redevelopment or revitalization provided *the redevelopment or revitalization plan	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				was approved and adopted by ordinance, resolution, or other legal action taken at least one year prior to the deadline for submission of applications, ***the redevelopment or revitalization plan specifies geographic boundaries that are larger than but include the physical location of the project, and** ***funds have been expended by the local government to revitalize or redevelop at least one project in furtherance of the redevelopment or revitalization plan.**	
	2)(ii) Applicant Characteristics	9	Sherry Atchison, Volunteers of America Southeast	**According to draft, certain types of developments are excluded from owner qualification points. HUD 202/811 developments are not listed. These developments are independent living units. They require the same type of development experience and more stringent financial ownership, including a 40 year affordability period. We believe they should be allowed in determination of experience points.**	**If all of the requirements outlined in this section of the Plan are met, HUD 202 and 811 financed properties will be eligible for the points awarded to owners who have previous successful experience and to applicants with sound experience as managing agents of low-income multifamily units.**
	2)(iii) Applicant Characteristics	9	Sherry Atchison, Volunteers of America Southeast	**Management of HUD 202/811 developments should be considered in point awards as well as other housing types like LIHTC's. With over 20 years of experience managing 1,300 units of housing, VOASE requests revisiting the proposed plan.**	
	2)(iv)Applicant Characteristics	9-10	Terry Mount, Development Services, Inc.	**This requirement states "....awarded Housing Credits or HOME funds from AHFA in year 2003 or later." The actual**	**Up to three (3) points will be given to applicants that have received an IRS Form 8609**

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				award of tax credits is not until 8609's are issued. Prior to that time a developer or owner only has a reservation of credits. Similarly, the HOME funds are committed and agreed to but not actually received until the HOME loan is closed. Please clarify if this requirement is from the year of a reservation of credits or HOME commitment or from the year the credits and /or HOME funds are received. Please clarify what date is used if the tax credits are a future allocation.	from AHFA or have closed an AHFA HOME loan in year 2005 or later. The project must be in compliance and the applicant must currently own the project listed to qualify for the points.
	2)(iv)Applicant Characteristics	9-10	Tom Champion, Gulf Coast Partners	It is difficult to joint-venture with experienced partners for the AHFA experience points due to the HOME and Housing Credit caps. It is difficult to know whether a partner has or will have non-compliance point deductions. Allow out-of-state Section 42 experience to count for the AHFA experience points.	
	2.(v) Applicant Characteristics	10	David Morrow, Morrow Development Company	Please clarify whether the principal reduction percentage is of the HOME loan's original principal balance or current outstanding principal balance. We recommend that AHFA award points for new projects that amortize new HOME loans in order to pay down the HOME loan by 30% at the end of the initial 20 year term if AHFA allows HOME funds to be in first position, participating jurisdictions, and rehab projects.	Points will not be given to an owner for repayment of an existing HOME loan. Points will be given for the rehabilitation of a project with a current AHFA HOME that matures prior to or within the year covered by the 2015 Plans. (See Project Type, Section 1.)(vi)a. above)

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	2.)(v) Applicant Characteristics	10	Paula Rhodes, Northstar Development	**We recommend the following language be added to the end of Addendum A, Section A.2.)(v): No more than 4 points in the aggregate will be given under this Section 2.)(v) and Section 1.)(vi)(a).**	
	2.)(v) Applicant Characteristics	10	Tom Champion, Gulf Coast Partners	**Points should not be awarded to a new application for repayment of a past HOME loan. This gives an advantage to someone who already has a contractual obligation.**	
	2.)(v) Applicant Characteristics	10	Mary Ellen Judah, Neighborhood Concepts, Inc.	**Please reconsider point allocation for repayment of existing HOME loan as the ability to secure alternate financing is often controlled by other parties who see no benefit in a refinancing. As example, we have identified refinancing opportunities for 2 properties that would produce significant interest savings for the property and/or repay a portion of the underlying HOME loan, but were unable to obtain Investor LP approval of the transactions as it was "not in LP's best interest at that time to refinance"**	
	2.)(v) Applicant Characteristics	10	Sandy Goff, Goff, LLC	**Points for Repayment of Home Loan should be for repayment of Home Loans that are in their year of maturity, and should not be based on a percentage of the Home Loan repayment, in that there are Home Loans ranging from $200,000 or less to $2,000,000 plus. Therefore, one developer could pay the $200,000 loan and another developer pay $400,000 and this**	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				could be only $20% of the Home Loan. In essence, the way it is written, developers with the financial means are basically buying points.	
	2.)(v) Applicant Characteristics	10	Butch Richardson Olympia Construction, Inc.	**Points associated with the repayment of HOME loans are essentially allowing applicants to buy points. Why not offer a refinance option for properties that are reaching the maturity deadline and give points for applicants that will refinance and keep the projects in the affordable program. This section should be eliminated altogether or at the very least revised significantly to achieve the results that are needed in a more practical and feasible way.**	
	2.)(v) Applicant Characteristics	10	Sam Johnston, Arbour Valley Development	**Once an Owner has been awarded tax credits for a deal, no more HOME points should be applied to other applications submitted by the Owner. If there are multiple Owners involved in the pay down of a singular HOME loan, points are to be treated as though there is one Owner--but points can be allocated among the Owners as they see fit. For example, if there are two Owners who pay off 100% of a HOME loan and these Owners submit two separate 2014 applications, Owner A could assign 2 points to his application and Owner B could apply 2 points to her application.** **Awarding points based on a**	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				PERCENTAGE pay down is not balanced—it favors owners with small HOME loans; it's unfair to award the same number of points for, say, a 50% pay down on a $250,000 loan versus a $1,900,000 loan. There should be HARD DOLLAR thresholds such as: 4 points - $1,000,001+ pay off or pay down 3 points - $750,001 – $1,000,000 2 points - $500,001 - $750,000 1 point - $250,000 - $500,000 Any HOME loan paid down or paid off should be published on the AHFA website so competing developers can keep track.	
	2.)(v) Applicant Characteristics	10	Terry Mount, Development Services, Inc.	**Restrict the use of these points to the applications of existing HOME projects that are being refreshed with new tax credits and financing.**	
	2)(v)(b)(2)(v) Applicant Characteristics	10	Chris Retan, Aletheia House	**Background- Based on the information available on the AHFA's website there appear to be less than 300 individuals and nonprofit organizations that are owners of properties that have been financed with HOME loans. Many of these individuals and nonprofit organizations are involved in numerous projects. It is our understanding that the vast majority of the individual owners are Caucasian men. These individuals and nonprofit organizations borrowed HOME funds with a promise to re-pay them at the end of a**	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				specific period of time. It is our understanding AHFA has the ability to foreclose on these properties if the loans are not re-paid, and that owners who fail to make these re-payments could be excluded from applying for tax credits in the future. Based on the scores of projects that have been funded in the past, the ability of this small group of owners to earn four additional points could easily be the difference between a project being selected for funding and a project not being selected for funding. Comment 1: This provision should be eliminated because it is unfair to minorities and women, and may violate the Fair Housing Act. While the provision to provide extra points to owners of properties that re-pay HOME loans is well-intended, it will have the effect of advantaging a very small number of owners who borrowed HOME funds to finance projects. The majority of the individual owners are Caucasian men. While this provision was certainly not designed to discriminate against minorities, women and others who are protected under the Fair Housing Act, the	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				U.S. District Court for the Northern District of Texas found in the case of The Inclusive Communities Project Inc. vs. the Texas Department of Housing and Community Affairs (which is the Texas agency that allocates low-income housing tax credits) that plaintiffs are not required to show a tax credit allocation process intends to discriminate in order to have a violation of the Fair Housing Act. In this case, the plaintiffs prevailed when they showed the decision of the allocating agency has a disparate impact on individuals in a protected class. Disparate impact is a legal doctrine under the Fair Housing Act which means a policy or practice may be considered discriminatory if it has a "disproportionate adverse impact" against any group based on race, national origin, color, religion, sex, familial status or disability. It is very likely that maintaining this provision in the QAP would have a disproportionate adverse impact on new developers who have not borrowed funds from AHFA in the past, including developers who are minorities, women and others in a protected class since they will be unable to earn these valuable points. It could expose the AHFA to a potential	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				lawsuit under the Fair Housing Act based on the doctrine of disparate impact. Comment 2: This provision should be eliminated because it is unfair to Community Housing Development Organizations and other non-profit organizations. This provision will most likely be used by relatively wealthy individual owners who have the personal wealth and/or ability to borrow large sums of money. It is less likely to be used by Community Housing Development Organizations (CHDOs) and other non-profits that do not have the wealth and/or ability to borrow funds to re-pay these loans. It is unfair to have a provision such as this that favors wealthy individuals over CHDOs and non-profit organizations. Comment 3: This provision should be eliminated because it is inconsistent with AHFA's goal of encouraging developers to seek funds other than those available from AHFA. This provision provides an advantage to owners who borrowed HOME funds over those who financed their projects with private funds and/or other forms of support. For example, if two projects had	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				the same budget and one owner developed a project with tax credits and bank funds, and the other developed a project using tax credits, HOME funds, and a smaller amount of bank funds, the project that was more dependent on the AHFA would be eligible to earn these points. This is in direct contradiction to AHFA's goal of encouraging projects to maximize private support and minimize the size of their request to AHFA. **Comment 4: This provision should be eliminated because it is unfair and unnecessary to accomplish the goal of increasing HOME loan re-payments.** **AHFA does not need to provide this unfair advantage to a small number of incumbent owners to accomplish its goal of increasing HOME loan re-payments. It should simply enforce the terms of the existing loans and/or negotiate re-payment terms that are acceptable to AHFA and the owner. Owners who fail to pay these loans should be excluded from submitting additional projects, and AHFA should foreclose on its loans. There is no need to give an extraordinarily generous bonus to owners who are simply doing what they agreed to do.**	
	B(3) Points	11	Sandy Goff,	**There should be a 14 day cure period for**	All residences are expected

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
	Lost Compliance		Goff, LLC	**inspection compliance issues. If not cured then deduct points for application scoring.** **Also, there should be a cutoff date for inspections that could affect the scoring of a 2015 application. I spoke with Tom last week and he had inspections scheduled for December and notices would probably go out late January or early February, which at this time a developer could have invested several thousand dollars for an application.**	to be ready and habitable at all times, as clearly required by the terms of the funding already received from AHFA. The cutoff date for inspections is clearly stated in Addendum F, Section II.E of the Plans. "Point deductions will be based on the applicable year's Housing Credit Qualified Allocation Plan and/or HOME Action Plan and will cover audits and inspections conducted May 1st, through December 31st, unless an applicant has not had at least one AHFA funded property audited and inspected during this period." AHFA will notify the owner and management company at the conclusion of the onsite visit and will provide a formal written notice regarding all applicable violations generally within a period not to exceed fourteen (14) business days.
	B(3) Points Lost Compliance	11	Butch Richardson Olympia Construction, Inc.	**The current policy rendering immediate point deductions for Applicants for compliance violations is unreasonable. A cure period should be given before any point deductions for future Applications are considered. Owners and Managers cannot, and are not required to inspect every unit every day. The policy as it stands is impossible to adhere to without doing that, and even if that could be achieved, this would be impossible to adhere to as repairs, corrections, and other remedies require time. A unit can become non-compliant the day prior to an audit/inspection for example and the Owner/Manager have no knowledge that an issue exists much less have time to make necessary corrections.**	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
Addendum B – Alabama Housing Finance Authority 2015 Environmental Policy	General Comment		Terry Mount, Development Service, Inc.	**Will the AHFA also be commissioning Environmental Studies on proposed HOME projects or accepting those submitted by applicants?**	**No, AHFA will not commission environmental studies, unless circumstances warrant. All environmental studies submitted are subject to review by AHFA's designated consultant, environmental attorney or both.**
Addendum C – Design Quality Standards (for Attached New Construction Rental Units)	Narrative – Third Paragraph	1	Rory McKean, McKean & Associates, Architects, LLC	**Don't specify version for the IBC Code. State the project shall meet the version adopted by the Local Building Department. Cities want plans designed in accordance with the version of the code they have adopted.**	**No changes will be made to this section. All projects must, at a minimum, be designed and constructed in accordance with the 2009 or 2012 International Building Code-International Residential Code. If local building codes are more restrictive, the project must meet those as well.**
	II.B.1.a. Minimum Building Standards	2	Rory McKean, McKean & Associates, Architects, LLC	**Suggest changing the way the Square Footage is calculated to meet the HUD standard. "Minimum Unit Net Area" would change to "Minimum Unit Net Rentable Area".** **Definition of Net Rentable Area is as follows:** **"(a) Net rentable area is measured from the interior finished face of the exterior wall to the interior finished face of the**	**Net area will be measured from the interior finished face of the exterior wall to the interior finished face of the common or tenant separation wall.**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				common or tenant separation wall." **Many projects have HUD involvement which would make AHFA consistent with these standards. Even more important, many designs may have a different thickness for common or tenant separation walls. They may be 4", 6", 10" or even thicker depending on the type of building or construction type. Face to face calculations would make it easier for AHFA to verify if all projects have the minimum net or rentable area. The minimum Square Footage requirements could remain the same as noted. (Note that the "tenant separation wall" is the proper code term, not "party wall".)**	
	II.B.4.a.3. Exterior Finishing Materials	3	Rory McKean, McKean & Associates, Architects, LLC	**Move the sentence starting with "extruded vinyl" to the line above to correct spacing.**	**This revision will be made to the final Plans.**
	II.B.4.b.13. Other Exterior Standards	4	Rory McKean, McKean & Associates, Architects, LLC	**Change "table and bench seating" to "table or bench seating". You would not need both.**	**No change will be made to this section. Gazebos and picnic shelters shall have table and bench seating.**
	II.B.5.b. Insulation Requirements	5	Rory McKean, McKean & Associates, Architects, LLC	**Revise 1. To read as follows: "Exterior wall insulation must have an overall R-13 minimum for the entire wall assembly or the R-value as required by the Alabama Energy Code (whichever is greater)."**	**R-13 is the minimum standard: no change required.**
	II.B.5.d.4. Bathroom Spaces	6	Rory McKean, McKean & Associates,	**Delete the request for medicine cabinets. Most Developers do not want these because they are not used very much.**	**No change will be made to this section. Vanity cabinets with drawers and a medicine**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
			Architects, LLC		**cabinet must be provided in all units.**
	II.B.5.e. Hallways	6	Rory McKean, McKean & Associates, Architects, LLC	**Add to the end of the sentence: "unless accessibility code requires a larger clear width."**	**The Design Quality Standards indicate the minimum width; no change is required.**
	II.B.5.f. Interior Doors	6	Rory McKean, McKean & Associates, Architects, LLC	**Second sentence: Change "minimum width" to "minimum clear width".**	**This recommended change will be made to the Plans.**
	II.B.5.6.a. Plumbing and Mechanical Equipment	6	Rory McKean, McKean & Associates, Architects, LLC	**Consider allowing T&P relief valve to discharge into the indirect drain when approved in writing by the local Building Department. Many cities require this.**	**This requirement will be revised as follows: "Water heater T&P relieve valve discharge must meet applicable building code requirements".**
	Drawing Submission Criteria: B.2. Floor Plans	7	Rory McKean, McKean & Associates, Architects, LLC	**Item 2: Change "all rooms" to "Bedrooms". The Bedrooms are the only spaces identified under II.B. Minimum Building Standards that have a minimum room size. To indicate space size of all rooms can make the plans too crowded with notes.**	**No changes will be made to this requirement.**
	Drawing Submission Criteria: B.3. Floor Plans	7	Rory McKean, McKean & Associates, Architects, LLC	**Item 3: Change "net square foot size" to "net rentable square foot size".**	**No changes will be made to this requirement.**
Addendum D – Design Quality Standards (For Single-Family Rental Homes)	II.B.1.a. Minimum Building Standards	2	Rory McKean, McKean & Associates, Architects, LLC	**Delete "a." It is not necessary for Single-Family Homes.**	**The following sentence will be removed as it does not apply to single family homes: "Net area is measured from the interior finished face of the exterior**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
					wall to the centerline of the common or party wall.
	II.B.8.b.1. Insulation Requirements	4	Rory McKean, McKean & Associates, Architects, LLC	**Revise 1. To read as follows: "Exterior wall insulation must have an overall R-13 minimum for the entire wall assembly or the R-value as required by the Alabama Energy Code (whichever is greater)."**	**The minimum standard is identified. No change is required.**
Addendum E - Design Quality Standards (for Attached Rehabilitation of an Existing Building)	I.A. Site Selection Criteria	1	Rory McKean, McKean & Associates, Architects, LLC	**Consider having projects in Zone-1 tested to see if Radon exists before requiring mitigation. It can be very difficult and costly to mitigate an existing project. If no radon is present there is no need to mitigate.**	**Undeveloped land cannot be tested. Rehabilitation projects must be tested prior to mitigation.**
	II.B.1.a. Minimum Building Standards	2	Rory McKean, McKean & Associates, Architects, LLC	**Change to read "Net rentable area is measured from the interior finished face of the exterior wall to the interior finished face of the common or tenant separation wall." May also consider adding this sentence: "No units may be smaller than noted below without securing a waiver from AHFA prior to submitting the application."** **This will give more emphasis to the developer to verify the square footage of existing projects prior to submitting applications.**	**Net area will be measured from the interior finished face of the exterior wall to the interior finished face of the common or tenant separation wall.**
	II.B.1.b. Minimum Building Standards	2	Rory McKean, McKean & Associates, Architects, LLC	**Change the last sentence to read: "No units may contain a bedroom of less than 90 square foot without securing a waiver from AHFA prior to submitting the application." (Many existing Tax Credit**	**Deviation request is required.**

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				and Rural Development projects have a bedroom smaller than 90 S.F.)	
	II.B.2.b.4. Other Exterior Standards	3	Rory McKean, McKean & Associates, Architects, LLC	**Add the following: "Existing healthy trees and shrubs may be included in the tree and shrub count."**	**Deviation request is required.**
		2-4	Rory McKean, McKean & Associates, Architects, LLC	**There is no paragraph 3 or paragraph 4 between 2. Exterior Building Standards and 5. Interior Building and Space Standards.**	**This change will be made to the final Plans.**
	II.B.5.b.10. Kitchen Spaces	4	Rory McKean, McKean & Associates, Architects, LLC	**Do not require dishwashers unless dishwashers were provided in the existing Kitchens. Many times there is not enough space to add a dishwasher because the Kitchens are too small.**	**Deviation request is required.**
	II.B.5.b.10. Kitchen Spaces	4	Gary Hall, Alabama Council for Affordable and Rural Housing, Inc. (ALCARH)	**Dishwashers should not be required where the original kitchen design does not accommodate them.**	**Deviation request is required.**
	II.B.5.b.10. Kitchen Spaces	4	David Morrow, Morrow Development Company	**Dishwashers are sometime not feasible with existing HUD or Rural Development properties. If they have substantial rental assistance, it should not affect the marketability.**	**Deviation request is required.**
	II.B.6.a. Plumbing & Mechanical Equipment	5-6	Mike Kleffner, Wallace Architects LLC	**Per section 504.6.1 of the International Plumbing Code, discharging the T&P water heater overflow to a hub drain is a Code approved means of dealing with this requirement. It's certainly the preferred way of dealing with this issue from our LIHTC clients and contractors doing work**	**Water heater T&P relief valve discharges will be required to meet applicable building code requirements.**

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				in Alabama and as allowed on similar LIHTC developments throughout the Country. We've come to find in working in the City of Huntsville, AL that this is also the preferred means of handling this T&P overflow requirement. For slab on grade construction and centrally located unit mechanical rooms (for unit efficiency and sustainability), it is nearly impossible to route individual relief valve discharge pipes through the apartment building to the exterior. Additionally, the multitude of exterior discharge pipes (1 per unit required by Code) becomes an eye soar in breezeways and at exterior elevations/balconies and are one more exterior building envelope penetration that needs to be maintained during the life of the building. Please consider revising the Design Guideline requirements for 2015 regarding this item to allow for additional Code approved means for piping the T&P water heater overflow. Let us know if you have any additional questions or require any additional information.	
	II.B.6.a. Plumbing & Mechanical Equipment	6	Kevin Buckner, TBG Residential	**We would request the ability to use a HUB drain for discharging the T & P water heater overflow. For slab on grade construction with centrally located mechanical rooms it is nearly impossible to route individual relief valve discharge pipes through the apartment building and**	

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				allow the discharge pipe to be 6" off of the ground surface. Also, the additional penetration through the buildings is an eyesore and a maintenance issue through the compliance period. Using a HUB drain is approved through the International Plumbing Code.	
	II.B.6.a. Plumbing & Mechanical Equipment	6	Rory McKean, McKean & Associates, Architects, LLC	**On some existing projects the T&P valves discharge into an indirect drain. It is next to impossible on an existing project when installing new water heaters to run the T&P to the exterior of the building if it doesn't already discharge to the exterior. Consider an exception to this requirement for rehabs.**	
HOME ACTION PLAN	III.C. Application Criteria	6	Mary Ellen Judah, Low Income Housing Coalition of Alabama (LIHCA)	**LIHCA recommends that AHFA decouple Alabama HOME funds from the Low Income Housing Tax Credit Program. Reason: There are nonprofit service providers throughout the state that would like to access HOME funds but are unable to do so because they want to develop smaller properties that better serve their clientele. These nonprofit service providers understand the housing and services need for individuals living with special needs and would be a logical choice to provide housing options for these hard-to-serve populations. However, costs associated with tax credit projects make smaller deals infeasible and, generally, tax credit investors are not interested in small properties. If AHFA decouples a portion of**	Due to the decrease in HOME appropriations, HOME funds will continue to be leveraged with Housing Credits and other sources of funds to develop multifamily new construction housing developments containing no more than 56 units. Given the available resources, combining HOME funds with Housing Credits is the most efficient and effective method for developing affordable housing on a statewide basis.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				the HOME funds from the Tax Credit program, these nonprofit organizations could apply for funding and develop projects for populations they serve. Also, service providers could provide supportive services to ensure housing stability.	
	III.C.1. Application Criteria	6-7	Terry Mount, Development Services, Inc.	**While missing and incomplete documents are allowed with a penalty fee, this should also be allowed for clarifications. In recent application cycle, the AHFA lost the ability to leverage hundreds of thousands of local HOME dollars due to a typing error, an incorrect date.**	**Applicants are encouraged to review their application in entirety prior to submission. Completeness reviews conducted by AHFA staff do not extend to point scoring items.**
	III.F. Uses of HOME Funds	11	Mary Ellen Judah, Neighborhood Concepts, Inc.	**It is our understanding that revisions to the HOME regulations require projects competing in CHDO set-aside to be solely owned by the CHDO. Please clarify language in 3rd line of 2nd paragraph that states that 15% of HOME will be set-aside for investments in housing "developed, sponsored or owned by CHDO's"**	**The words "developed or sponsored" will be removed from this sentence to meet the revised HOME regulations.**
	III.F. Uses of HOME Funds	11	Mary Ellen Judah, Low Income Housing Coalition of Alabama (LIHCA)	**LIHCA recommends that AHFA utilize HOME funds for activities other than new construction. Reason: The federal HOME program includes homeowner rehabilitation, homebuyer programs, rental rehabilitation, and rental subsidies for its eligible activities. Using HOME funds for new construction of rental properties only excludes many organizations that promote homeownership and rehabilitation activities from applying for funding. By**	**Due to the decrease in HOME appropriations, expansion of the HOME eligible activities would result in the reduction of much needed affordable rental housing. AHFA continues to meet the needs described through its down payment assistance. Habitat loan program and others.**

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				expanding the state's HOME eligible activities, funds could be used for more diverse purposes and this has the potential to improve blighted communities through rehabilitation and create more decent and safe housing opportunities for individuals with low incomes.	
	IV.C.8 Applications Submitted in other Participating Jurisdictions	15	Mary Ellen Judah, Neighborhood Concepts, Inc.	**Please reconsider restriction on use of State HOME funds in PJ's which receive their own HOME allocation. Local PJ's are utilizing smaller allocations of HOME dollars to fund myriad housing needs in their communities to include single and multi-family; rental and homeownership; new construction and rehab. The ability to utilize State HOME dollars to leverage their local HOME funds in support of production of multi-family rental allows them to continue to support numerous housing options in these communities which often have the greatest housing needs.**	No changes will be made. Participating Jurisdictions have the ability to leverage their funds with Housing Credits to develop housing in their jurisdiction. Other areas of the state (specifically, non-participating jurisdictions) do not have local funds, such as HOME funds, available to leverage with AHFA funds.
	VI.E. Matching	26	Terry Mount, Development Services, Inc.	**Can AHFA clarify "A HOME recipient may be required to provide a 'Match' source to close to their project."?**	**If a situation arises where AHFA programs cannot provide a project's required Match, the owner(s) will be required to provide the Match source for their project in order to close the HOME loan.**
Addendum A	A. Points Gained	3	Mary Ellen Judah, Low Income Housing	**LIHCA recommends that AHFA incentivize developers to provide permanent supportive housing by**	AHFA has not been asked to meet or discuss proposed permanent supportive

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
			Coalition of Alabama (LIHCA)	**allocating point(s) to projects that include permanent supportive housing units. Reason: Vulnerable populations, including those living with mental illness and/or substance abuse, HIV/AIDS, those experiencing homelessness, and survivors of domestic violence, tend to be marginalized from mainstream housing resources and often need supportive services to maintain housing stability. Permanent supportive housing not only seeks to house these populations, but provides supportive services to ensure housing stability. Research has demonstrated that supportive housing saves money, as it costs less to house an individual and provide support by reducing the use of public services and the cost of spending time in jails, emergency rooms, and institutions. By prioritizing permanent supportive housing, AHFA would reduce the number of homeless individuals and families living in Alabama.**	**housing proposals. Organizations interested in providing permanent supportive housing should contact AHFA to discuss.**
	A. Points Gained	3	Mary Ellen Judah, Low Income Housing Coalition of Alabama (LIHCA)	**LIHCA recommends that AHFA incentivize developers to list their newly funded properties on ALHousingSearch.org by allocating point(s) to developers who list on the site. Reason: ALHousingSearch.org is Alabama's comprehensive rental housing locator and is completely free for landlords to use to list their properties. It is easy to use and landlords may be assisted by**	**The benefits of these types of services should be marketed to the project owners and managers directly. Participation should be strictly voluntary.**

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				ALHousingSearch.org's administrator. A comprehensive list of all rental units in Alabama is a critical tool when disaster strikes and can be utilized to quickly rehouse victims of natural and man-made disasters. When the 2011 tornadoes struck, there was no one list of all of the affordable housing rental units and, as a result, disaster recovery was stalled due to the inability to find available rental housing for individuals and families that were displaced by the storms. Listing all new HOME/LIHTC properties on the site will be a valuable tool not only for landlords (who can market their properties for free on the site), renters (who can search free of charge), but also in times of disaster when housing must be located quickly and efficiently.	
General Comments			Butch Richardson Olympia Construction, Inc.	The current policies for the use of reserves need revision. The waiting period is too long and the process too rigid to allow for the proper use of reserves to take care of the properties. Wear and tear and damage by tenants can often far exceed the annual expense budget. This can result in projects not meeting the lender and/or investor DCR requirements as well as properties not having the resources to maintain a level of quality, marketability and safety as necessary.	No changes will be made to the reserve requirements.
			Terry Mount, Development	Underwriting guidelines for Rehabs should allow a 10% contingency. Most common	No changes will be made to the contingency

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
			Services, Inc.	Syndicators require a minimum 10% contingency for rehabs. AHFA rehabs are typically restructured by developers and syndicators to allow 10% in their agreements. This developer has done 3 rehabs and 4% contingency fell well short of offsetting the unforeseen costs that arose that only could be quantified after renovations began. Examples include fire and water damage that was improperly repaired if at all and missing brick ties that was only discovered with complete removal of all drywall. These were corrected with the use of an expensive construction technique to make the structures sound.	requirements for rehab projects.
			Butch Richardson Olympia Construction, Inc.	Owners have MR/MI units which have existed for a number of years. These units have only been allowed one rent increase since being placed in service and are in need of a rent increase.	Requests for rent increases on the MI/MR units should be submitted in writing to AHFA for review on a project-by-project basis.
			Michael Bodaken, National Housing Trust	The Trust also encourages AHFA to partner with Alabama's utilities to make energy-efficiency programs more accessible to affordable, multifamily developments. A majority of states implement utility-funded energy efficiency programs, often paid for through charges included in customer utility rates. These programs are a significant and growing source of resources for residential energy retrofits that remain largely untapped by the multifamily sector. Utility energy	While informative, this comment is not Plan specific. Please contact AHFA should you wish to discuss further.

2015 Housing Credit Qualified Allocation Plan and HOME Action Plan
Summary of Public Comments and AHFA Responses

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				efficiency program budgets have significantly increased since 2006 and could reach \$12 billion nationwide by 2020. Reaching under-served markets, such as affordable multifamily housing, will be necessary if utilities are to achieve higher spending and energy saving goals. In several states, utilities are partnering with state housing agencies and affordable housing owners to develop successful multi-family energy efficiency retrofit programs for multifamily properties. Energy efficiency upgrades in affordable rental housing are a cost-effective approach to lower operating expenses, maintain affordability for low-income households, reduce carbon emissions, and create healthier, more comfortable living environments for low-income families.	

***Attachment from Ann Marie Rowlett, Rowlett & Company, LLC (page 30 above)**

State	Most Current Plan Date	Application Period Opens	Applications Due
Atlanta	7/31/2014	Jun-15	Jul-15
Boston	6/27/2014	7/28/2014	9/12/2014
Chicago	3/2/2014	Not Available	6/20/2014
Dallas	3/20/2014	Not Available	8/1/2014
Des Moines	3/6/2014	4/15/2014	5/15/2014
Indianapolis	11/22/2013	Not Available	4/9/2014
New York	5/19/2014	Not Available	7/11/2014
Pittsburgh	6/27/2014	5/19/2014	7/15/2014
San Francisco	2014 (no month/date)	Not Available	3/3/2014
Seattle	Not Available	Not Available	8/1/2014
Topeka	6/27/2014	3/3/2014	4/15/2014

Again, AHFA thanks all individuals and entities who provided comments for consideration in developing the final 2015 State Qualified Action/Allocation Plans. All comments and AHFA responses provided in this summary are subject to modification and approval by the applicable authorities as specified under Section 42.