ATTACHMENT 3

STATE OF ALABAMA

Public Comments Received through the Citizen Participation Process for the CDBG Program's PY2018 One-Year Annual Action Plan, HOME Program's PY2018 One-Year Annual Action Plan, and HTF Program's PY2018 One-Year Annual Action Plan

STATE OF ALABAMA

Public Comments Received through the Citizen Participation Process for the CDBG Program's PY2018 One-Year Annual Action Plan

In reference to the State of Alabama's PY2018 One-Year Annual Action Plan for the CDBG Program, the following public comments were received by the Alabama Department of Economic and Community Affairs (ADECA) as a result of the April 26, 2018 public hearing. ADECA's responses to these public comments are also included herewith.

COMMUNITY CONSULTANTS, INC

470 Providence Main Street, NW
Huntsville, AL 35806
256-890-4240
256-890-4242 (Fax)

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April 26, 2018

Alabama Department of Economic
& Community Affairs
Attn. Mr. Shabbir Olia, Program Manager
P.O. Box 5690
Montgomery, AL 36103-5690

Re: Proposed FY 2018 Action Plan

Dear Mr. Olia:

I would like to make a comment regarding the proposed FY 2018 CDBG Action Plan presented at the Public Hearing on April 26, 2018.

In reviewing the 2018 Grant Thresholds, I noted in the proposed FY 2018 CDBG Action Plan the threshold for open Economic Development projects funded in calendar year 2015 or earlier must be closed-out as of March 30, 2018. This is a change from the amended 2017 Action Plan which allowed open Economic Development projects that were closed as of the application deadline to be eligible to apply for Competitive, Community Enhancement, or planning funds. This change unfairly penalizes municipal and county governments that receive ED grant funds. I understand the need for thresholds to ensure projects are closed-out in a timely manner. However, ED funded grants are unlike Competitive, Community Enhancement or Planning Grants, which are all awarded at the same time each year and in most cases the implementation of these type grants are within the full control of the Grantee. ED Grants on the other hand are funded at various times throughout the year and the Grantees are not in full control of the timely implementation of these projects. On most ED Projects, all construction activities are completed in a timely manner, but the Grantee cannot close-out their ED project until the company creates and provides the documentation required to substantiate that the jobs committed in the grant application have been created. Both of which are beyond the control of the Grantee.

Therefore, I am requesting ADECA's CDBG Program Staff consider changing the close-out grant threshold for ED Grants funded in calendar year "FY15 or earlier" to "FY14 or earlier" in the FY18 Action Plan. This change will allow an additional year for companies to create the jobs committed in the ED grant applications before the Grantee is deemed ineligible. I would also request the CDBG Program Staff consider returning the FY17 threshold which eliminated the March 30 or March 31 close-out deadline for open ED Projects and allowed Grantees with open

ED grants to submit FY18 applications if approved close-out documents for ED projects are received by ADECA prior to the July 31, 2018 application deadline. This request is being made since each year the CDBG grant application deadline continues to change and by eliminating the March 31 deadline this will provide several additional months for committed jobs to be created and additional ED projects to be closed-out without penalizing the Grantee. Also, due to delays created by Congress in adopting a budget the proposed FY18 Action Plan was not made available for review until April 26, 2018, which is after the March 30, 2018 project close-out deadline. Therefore, the Regional Planning Agencies, Consultants, or Grantees were unaware that the close-out threshold for open ED projects were going to be changed in 2018.

I appreciate your consideration of my comments concerning the proposed FY18 CDBG Action Plan.

Thanks,

Terry Acuff
Consultant

OFFICE OF THE GOVERNOR

KAY IVEY
GOVERNOR

ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS

KENNETH W. BOSWELL
DIRECTOR

STATE OF ALABAMA

May 17, 2018

Mr. Terry Acuff, Consultant
Community Consultants, Inc.
470 Providence Main Street, NW
Huntsville, Alabama 35806

Dear Mr. Acuff:

RE: Public Comments Submitted in Response to the State of Alabama's CDBG Program Proposed PY2018 One-Year Annual Action Plan

We are in receipt of your April 26, 2018 letter providing comments in response to the State of Alabama's Proposed PY2018 One-Year Annual Action Plan for the CDBG Program. That Plan was discussed during the Public Hearing held on April 26, 2018 for the State of Alabama's Proposed PY2018 One-Year Annual Action Plans for the CDBG, ESG, HOME, HOPWA, and HTF Programs.

I want to thank you for your comments, and wish to assure you that your comments will be taken in consideration before the Plan is finalized for submittal to HUD. If you have any questions, please call Mr. Shabbir Olia at (334)242-5468.

Sincerely,

K. W. Boswell

Kenneth W. Boswell
Director

KWB:KAR:tmn
cc: Shabbir Olia, CED Division Chief
Kathleen Rasmussen, Statewide Initiatives Unit Chief

50TH ANNIVERSARY
1967 2017
NORTHWEST ALABAMA COUNCIL OF LOCAL GOVERNMENTS
NACOLG
Northwest Alabama Council Of Local Governments
P.O. Box 2603 Muscle Shoals, Alabama 35662

Keith Jones
Executive Director
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Barry Moore
Chairman

Roger Hayes
Vice Chairman

John Landers
Secretary

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May 18, 2018

Mr. Kenneth W. Boswell, Director
Alabama Department of Economic and Community Affairs
P.O. Box 5690
Montgomery, Alabama 36103

Dear Mr. Boswell: Kenneth

On behalf of the Northwest Alabama Council of Local Governments Board of Directors and the member governments within our five county region, I write to comment on the Program Year 2018 CDBG Action Plan.

It is our understanding any CDBG project with more than 30% of the total beneficiaries residing outside of the primary jurisdiction must be submitted as a joint project by two or more communities. In most instances, especially in our region, a joint project would require the county commission to be a joint applicant with a small municipality. The strongest example of projects necessitating collaboration are water system improvements in our small towns. Within our region, of the 25 water authorities in municipalities eligible to apply for CDBG assistance, 14 authorities (56%) serve 30% or more of their customers outside of their town limits, thus requiring cooperation with the county commission to request CDBG funding to improve the entire local water system. However, projects of this nature neither benefit both the local municipality and the county commission, nor address mutual needs.

We feel the State's Joint Project requirement limits our small towns' ability to address their full needs, while also placing an undue burden on the local county commissions, who possess their own funding needs and cannot apply for multiple projects to help themselves and each small community. We request ADECA reconsider the stipulation of joint projects when more than 30% of project beneficiaries reside outside of a municipality seeking CDBG assistance.

Sincerely,

Keith Jones

Keith Jones
Executive Director

Enclosures

LAUDERDALE COUNTY

Water Authority	Customer Base	In City	City Percentage	In County	County Percentage
East Lauderdale Water Authority	3,200	100	3%	3,100	96.9%
West Lauderdale Water Authority	4,946	250	5%	4,696	94.9%
Chisholm Heights Water Authority	1,530	-	0%	1,530	100.0%
* **Florence Water Department**	**25,888**	**17,942**	**69%**	**7,946**	**30.7%**
* **Rogersville Water Works**	**1,661**	**518**	**31%**	**1,143**	**68.8%**
* **Lexington Water Works**	**966**	**400**	**41%**	**566**	**58.6%**
Greenhill Water & FPA	2,172	-	0%	2,172	100.0%

COLBERT COUNTY

Water Authority	Customer Base	In City	Percentage	In County	Percentage
Colbert County Water Department	4,400	88	2%	4,312	98.0%
* Muscle Shoals Water & WW Dept.	7,240	7,168	99%	72	1.0%
* Tuscumbia Utilities	4,000	3,500	88%	500	12.5%
* Sheffield Utilities	4,400	4,380	100%	20	0.5%
* Cherokee Water & Gas	641	641	100%	-	0.0%
* Leighton Water Department	405	400	99%	5	1.2%
* **Littleville Water Works**	**1,198**	**436**	**36%**	**762**	**63.6%**
Hawk Pride Mountain Water System	1,345	-	0%	1,345	100.0%
LaGrange Water Authority	388	-	0%	388	100.0%
Spring Valley Water System	1,725	100	6%	1,625	94.2%

FRANKLIN COUNTY

Water Authority	Customer Base	In City	Percentage	In County	Percentage
Franklin County Water Authority	1,619	-	0%	1,619	100.0%
* Russellville Utilities	5,529	4,027	73%	1,502	27.2%
* **Red Bay Water & Gas**	**2,048**	**1,417**	**69%**	**631**	**30.8%**
* **Vina Water Department**	**481**	**197**	**41%**	**284**	**59.0%**
* **Phil Campbell Water Works & Sewer**	**2,350**	**475**	**20%**	**1,875**	**79.8%**
* **Hodges Water Department**	**757**	**139**	**18%**	**618**	**81.6%**

MARION COUNTY

Water Authority	Customer Base	In City	Percentage	In County	Percentage
Marion County Public Water Authority	1,150	-	0%	1,150	100.0%
* Hamilton Water Department	3,500	3,300	94%	200	5.7%
* Guin Water Department	1,500	1,200	80%	300	20.0%
* Winfield Water Works	2,850	2,200	77%	650	22.8%
* Brilliant Water Works	495	450	91%	45	9.1%
* Hackleburg Water & Sewer	754	659	87%	95	12.6%
* **Bear Creek Water Department**	**1,148**	**422**	**37%**	**726**	**63.2%**

WINSTON COUNTY

Water Authority	Customer Base	In City	Percentage	In County	Percentage
* **Double Springs Water & Sewer**	**1,900**	**515**	**27%**	**1,385**	**72.9%**
* **Haleyville Water Works**	**3,233**	**1,769**	**55%**	**1,464**	**45.3%**
* **Arley Water Works**	**3,411**	**132**	**4%**	**3,279**	**96.1%**
* **Addison Water Works**	**844**	**415**	**49%**	**429**	**50.8%**
* **Lynn Water Department**	**597**	**325**	**54%**	**272**	**45.6%**

* Denotes water authority within a local municipality eligible to apply for CDBG Funding
Under the PY2018 Action Plan, municipalities in BOLD are currently ineligible to use CDBG funding to benefit their entire water system without submitting a joint application with County

Office of the Governor

Kay Ivey
Governor

State of Alabama

Alabama Department of Economic and Community Affairs

Kenneth W. Boswell
Director

May 21, 2018

Mr. Keith Jones, Executive Director
Northwest Alabama Council of Local Governments
Post Office Box 2603
Muscle Shoals, Alabama 35662-2603

Dear Mr. Jones:

RE: Public Comments Submitted in Response to the State of Alabama's CDBG Program Proposed PY2018 One-Year Annual Action Plan

We are in receipt of your May 18, 2018 letter providing comments in response to the State of Alabama's Proposed PY2018 One-Year Annual Action Plan for the CDBG Program. That Plan was discussed during the Public Hearing held on April 26, 2018 for the State of Alabama's Proposed PY2018 One-Year Annual Action Plans for the CDBG, ESG, HOME, HOPWA, and HTF Programs.

I want to thank you for your comments, and wish to assure you that your comments will be taken in consideration before the Plan is finalized for submittal to HUD. If you have any questions, please call Mr. Shabbir Olia at (334)242-5468.

Sincerely,

Kenneth W. Boswell
Director

KWB:KAR:tmn
cc: Shabbir Olia, CED Division Chief
Kathleen Rasmussen, Statewide Initiatives Unit Chief

STATE OF ALABAMA

Public Comments Received through the Citizen Participation Process for the HOME Investment Partnerships Program's PY2018 One-Year Annual Action Plan

In reference to the State of Alabama's PY2018 One-Year Annual Action Plan for the HOME Investment Partnerships Program (HOME), the following public comments were received by the Alabama Housing Finance Authority (AHFA) as a result of the July 10, 2017 public hearing for the HOME Program. AHFA's responses to these public comments are also included herewith.

AHFA Multifamily Division

Summary of Key Changes to 2018 HOME Action Plan

	Section Page Reference	Section Name	Description of Change(s)
HOME Action Plan	Section III D. 2, pages 9-10	Missing and/or incomplete application document(s) & Third-Party Reports(s)	• Fees were reduced from \$2,500 to \$2,000 for missing, incomplete or requests for additional information or clarification of third-party reports in an effort to improve the quality of the application submissions.
	Section IV C. 11, page 16	Architect's Certification of Project Progress	• The date that certifications are required from architects stating that all building foundation slabs or crawl spaces are in place, for AHFA approved projects, was changed from 2016 and prior to 2015 and prior.
HOME Action Plan **Addendum A:** Point Scoring System	Page 1	Project Selection Procedures	• If all available 2018 Housing Credits have been awarded and there still remains available HOME funds, the highest scoring HOME project combined with Housing Credits may be awarded per county, subject to a future-year Housing Credit allocation.
	Section 1. (iii)(a-c), page 5 - 7	Rent Affordability	• The total aggregate points for this section were reduced from thirteen (13) to ten (10). • AHFA HOME funds were removed as a source of new funds. • Capital Fund Program and Replacement Factor funds were moved from the maximum 5 point subsidy section to a maximum 3 point subsidy section. • The percentage of units for HUD commitments of rental/operating subsidies were increased from 25% to 75% of the total proposed units.
	Section 1.(v.), page 7	Readiness Issues	• The points for attendance at the AHFA sponsored HOME/Housing Credit Workshop were removed. Attendance will be optional.
	Section 1.(vi)(a)(1), page 8	Location	• The distance to neighborhood services was expanded from 2 to 3 miles of the site.

	Section 1.(vi)(b)(1), page 9	Negative Neighborhood Services	• Points will not be deducted from properties located adjacent to a railroad if the environmental report submitted with the application indicates that noise levels are acceptable (outside noise level < 65dB; interior noise level < 45dB).
HOME Action Plan **Addendum B:** Environmental Policy Requirements	Addendum B-1, Section 9.d. & 9.e., pages 8-9	AHFA Requirements – Noise Abatement & Control and Airport Clear Zones & Accident Potential Zones	• The Phase I Environmental Site Assessments for all projects must include a completed HUD "Noise (EA) – Partner Worksheet", HUD "Airport Hazards – Partner Worksheet" and a completed HUD Airport Runway Clear Zones Partner Worksheet". If the noise levels are not acceptable, mitigating measures must be incorporated into the project to reduce anticipated noise levels. • AHFA will not approve an application for AHFA HOME funds if anticipated noise levels at the project site are above acceptable levels or if any part of the project site is located within the runway protection zone/clear zone of a civilian airport (RPZ/CZ) or accident potential zone of a military airport (APZ).

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
Housing Credit QAP					
	I. D. 1.)(i.) a) Fees	9	Lori Harris/Norstar Development USA, L.P.	Section (I.)(D.)(1.)(i.)(a.) Application Fees – Under section (b.) of this scoring criteria, the fee for an application with up to eight (8) owners applying on a single application that have less than three (3) placed-in-service projects funded with Housing Credits and/or HOME funds awarded by AHFA is $10,000. Issue: It seems in this QAP, different from the 2017 QAP, there is one application and submission rather than two: an Initial Application and a Final Application. Though the $10,000 is a combination of 2017 Initial ($6,000) and Final ($4,000) Application fees, with one submission rather than two and all information will be in one place rather than two places, within two submissions. Additionally, when there were two submissions, an applicant could submit the Initial Application with the $6,000 fee, and it was possible that they would have made 10 or more mistakes, terminating their application. In this case, this would cost the applicant only $6,000. Under this draft QAP, the applicant could pay $10,000 for an application and be eliminated, and this would cost almost twice what it would have in 2017. Recommendation: We recommend the Application Fee for a one-submission application be decreased from $10,000 to $8,000. We know AHFA recognizes all of the costs that go into securing funding,	No changes will be made to application fees due to legal and environmental reviews, applicable consulting work and site and property assessments performed in connection with the review of each application.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				approvals, and everything involved in affordable housing development. We feel an even compromise for the single application in lieu of two would be a slight reduction in the application fee.	
	I. D. 1.)(i.) b) Fees	9	Thomas Ward/CRN Development, LLC ********** Allan Rappuhn/Gateway Development Corporation	$7,500 for application fees is excessive. Please do not increase the application fees.	
	I. D. 2.) Missing and/or Incomplete Application Documents	10	Lori Harris/Norstar Development USA,L.P.	Section (I.)(D.)(2.) Missing and/or Incomplete Application Document(s) & Third-Party Report(s) – Required fee for each missing or incomplete application document, incomplete third-party report, or request for additional information or clarification of third-party report after five (5) or more is $2,500. Issue: Increasing the fee by $1,000 to $2,500 is a large increase, and applicants are now penalized equally for 1-5 mistakes as they are for more than five. If seven (7) mistakes were made and corrected, it would cost the applicant $17,500, which is $4,000 more than 2017 QAP Fee Structure ($13,500 for 7 mistakes). Increasing the cost to correct errors and stay in the cycle may discourage applicants from correcting their mistakes and remaining in the funding round, which increases the barrier to entry for affordable housing development that is so needed in the State of Alabama. Since it is not uncommon	Missing document fees were implemented as an alternative to deducting points for missing items, which in the past caused incomplete applications to no longer be competitive. In the event AHFA determines that documents are missing, incomplete or require clarification, the applicant, if it so elects, will be allowed a limited reprieve to furnish the required information in order for AHFA to continue to consider the application for funding. In response to the comments submitted, the missing document fees will be revised as follows: The fees for missing or incomplete application documents or incomplete third-party reports will be reduced from $2,500 to $2,000 per document or report.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				that an applicant needs to apply in more than one round in order to receive a tax credit allocation, if an applicant pays $10,000 to apply, and $17,500 for mistakes, it could cost $27,500 per application—even if it is not funded. If an applicant applies three times before a project is funded, there is over $50,000 in pre-development costs involved only in applying to AHFA for tax credits in years in which they were not awarded; this is a large amount of money in affordable housing development that could be used to build additional amenities to increase the quality of housing for Alabama residents, among other things. It is unclear whether the requests for additional information or clarification of third-party report will count toward the aggregate total of missing item occurrences. In the case that the applicant had seven items to clarify, according to these guidelines this would warrant $7,500 in fees ($2,500 for the incomplete report, and $5,000 for two items over five), which is greater than the cost of the actual report. Recommendation: We recommend that the Missing and/or Incomplete Application Document fees be returned to 2017 structure in order to prevent discouraging viable projects from carrying through the housing credit process because of higher fees. As applicants, we make every effort to submit thoroughly complete applications and we appreciate the opportunity to rectify mistakes	The fees for requests for additional information or clarification of third-party reports after five (5) occurrences per report, will be will be reduced from $2,500 to $2,000 per occurrence.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				and remain in the funding round and maintaining last year's fee levels would help to keep down predevelopment costs involved in applying for funding down.	
	II. C. 10.) Architects Certification of Project Progress	14	Thomas Ward/CRN Development, LLC ********** Allan Rappuhn/Gateway Development Corporation	Architect's Certification of Progress - a 6 month extension should be granted to 2016 funded projects. Due to the uncertainty in the equity pricing, the progress of these projects were significantly delayed. The decrease in equity pricing created a financial burded on the deals. The projects were not notified of AHFA's strategy regarding the 2016 deals until the June 2017 Board of Directors meeting.	The Architect Certification of Project Progress requirement will be revised as follows: The project's architect must certify that all building foundation slabs, or crawl spaces are in place on projects that received a reservation letter/Binding Commitment for Housing Credits and/or HOME Written Agreement in **2015** and prior.
	II. C. 10.) Architects Certification of Project Progress	14	Gary Hall/AAHA	Architect Certification of Project Progress. For 2016 funded projects we request a 6 month extension of the requirement to have slabs in place. Due to the uncertainty in equity pricing, the progress of these projects were significantly delayed. The decrease in equity pricing created a financial burden on the deals. The fact that owners were not notified of AHFA's strategy regarding these deals until the June 2017 Board of Directors meeting has created a time burden on the deals.	
	II. C. 10.) Architects Certification of Project Progress	14	Fred Bennett/The Bennett Group	Architect's Certification of Project Progress: Housing Credit/HOME projects funded in the 2016 round were so adversely affected by the collapse of equity pricing after the election that they were no longer financially feasible as underwritten. It took about six months for the equity market to firm. In that interim time period, these projects could not proceed	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				with the normal due diligence required to meet AHFA deadlines and required multiple time extensions. Many or most of these projects are not likely to secure the required architect's certification that all foundations/slabs are in place at the time the 2018 tax credit applications are due. AHFA should make provision for extensions for these applicants to meet this requirement for the 2018 cycle.	
	II. C. 10.) Architect's Certification of Project Progress	14	Cindy Prater/The Bennett Group	Architect's Certification of Progress: Progress on HOME projects have consistently been delayed due to HUD's approval process for the HOME plan. As such, AHFA should consider waiving this requirement for HOME projects. When receipt of the reservation package is delayed it creates a chain reaction, delaying all activities required a construction start.	
	II. C. (10.) Architect's Certification of Project Progress	14	Ann Marie Rowlett/Rowlett & Company, LLC	Architect's Certification of Progress: AHFA should consider waiving this requirement for HOME projects which have been delayed due to the appoval time it takes HUD. When reservation packages are not received until fall, it makes it very difficult to get through the environmental process and all other due diligence to get to a closing and begin construction. Since these processes are outside of the developer's control, AHFA should allow some leeway on this threshold item.	
	II. C. 13.) Site Location	15	Judy Van Dyke/Van Dyke and Company	Site location standards for new construction allow for exceptions to the two-mile radius requirement for applications that contain financing through HUD programs. (II C (13)	AHFA will not seek to interpret this comment for the 2018 Plans. Additional information should have been provided.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				(ii.)). Since many PHA's are redeveloping their entire portfolio under the Rental Assistance Demonstration Program, we believe that this section should be amended to include the RAD conversions funds as set out on HUD form 50075.1 on lines 1503 and/or 1504. An additional exception for properties (1) proposing 100% Project Based Rental Assistance or Project Based Vouchers as evidenced by a Commitment for Housing Assistance Payments (CHAP) or (2) where the previously funded project has 100% Project Based Rental Assistance or Project Based Vouchers as evidenced by a HAP agreement for 100% of the units AND where the market analyst affirmatively states that the new project will not have a negative impact on the previously funded project.	
	II. D. 13 Negative Action	17	Michael Hellier/Gulf Coast Housing Partnership	D-Negative Actions-#13: Receipt of a reservation letter for Housing Credits or Home should not be a "negative action". The "negative action" should be if you received a reservation and failed to meet required carryover or placed in service deadlines. If this language is embedded due to compliance concerns, Applicant's who receive points under Addendum A-2)- Applicant Characteristics-ii&iii should be exempt as they are demonstrating multi-family ownership and low income housing management experience. It should not be assumed an experienced developer/owner/manager will not be able to	No changes will be made.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				comply with AHFA requirements, but should be assumed they will until proven otherwise.	
	II. E. (v.) Reasonableness of Project Costs	20	Cindy Prater/The Bennett Group	Reasonableness of Project Costs: It would be beneficial if AHFA could provide specific data regarding their expected reasonable costs. This might be accomplished by providing the historical data AHFA's underwriting department will be using to determine same.	No changes will be made.
	II. E. (v.) Reasonableness of Project Costs	20	Ann Marie Rowlett/Rowlett & Company, LLC	Reasonableness of Project Costs: It would be very helpful if the AHFA could provide more specific data regarding costs that they expect to be reasonable. Even a cost range or publishing the historical data would be helpful.	
	II. E. (v.) Reasonableness of Project Costs	20	Allan Rappuhn/Gateway Development Corporation	Reasonability of Cost and Underwriting - when underwriting deals, be mindful that current construction costs are trending upward at a higher rate than before, don't just look at historical construction costs trends. The total project cost process should also be more transparent.	
	II. E. (v.) Reasonableness of Project Costs	20	Bradley Carroll/Vantage Development ************* Gary Hall/AAHA	Construction cost limits, total development cost limits, tax credit per unit limits and all other undisclosed cost/underwriting limits should be clearly stated in the QAP every year, prior to applications being submitted. Applicants should be informed of these requirements prior to application submission and have the ability to submit justifications for costs in excess of the stated limits, if necessary. Furthermore, when underwriting applications costs for reasonableness/cost limits, be mindful that current construction costs are trending upward at a higher rate	

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				than in the past. Looking only at historical construction cost trends will not provide an accurate picture of what is happening in the current market.	
	II. G. Housing Credit Allocations	22	Matt Edwards/SEEC	Due to the fact HOME loan pay downs normally require the property to take on additional leverage, it is not feasible to perform the rehab and fund the resulting gap. This is magnified by the recent drop in credit prices. It is requested that AHFA automatically provide 130% Basis Boost to any expiring HOME Project that is applying for Syndication Tax Credits	This section will revised as follows: Under Section 42(d)(5)(B)(v), AHFA may designate a building(s) that shall receive an increase in eligible basis in order for the building(s) to be financially feasible as part of a qualified low-income project and shall be treated as located in a difficult development area. AHFA will consider designating a building(s) in an application as being located in a difficult development area and the designated buildings(s) may receive an increase in eligible basis if AHFA determines that the project requires an additional increase in eligible basis to be financially feasible and it must meet one (1) of the following criteria: (i.) The applicant is applying for building(s) financed with AHFA HOME funds and AHFA is providing the first and second mortgages; or (ii.) The proposed project has fully executed a commitment with AHFA for a fifteen (15) year extension of the project's original HOME loan.
	II. I. Progress Requirements after Reservation	24	Thomas Ward/CRN Development, LLC **********	No extension fees should be assessed to any applicant for delays they do not control. For example, waiting on release of HOME funds or during AHFA reviews. A line item should	It is imperative that projects meet the deadlines in accordance with provisions established in Section 42. The deadline for

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
			Allan Rappuhn/Gateway Development Corporation	be added to the application specifically for project related fees assessed.	all approved extensions will be increased from thirty (30) days to sixty (60) days. AHFA <u>may</u> waive the extension fees for HOME funded projects that experience unusual delays due to archaeology studies, endangered species surveys or farmland conversion.
	II. I. 4.) Progress Requirements after Reservation	25	Bryan Shumway/WISHROCK	According to the QAP, construction/rehabilitation on the project cannot begin until AHFA gives written notice from the plans and specifications review. However, plans and specifications review does not take place until after a closing. This policy can cause delays in the project timeline and in the timline requirements for a HUD-financed project that is required to start construction within ten days of project closing. This puts the developer in the position of either failing to meet the requirements of AHFA or of HUD. It also unnecessarily delays the construction start on much needed housing. We request that the review take place earlier in the process.	This comment pertains to multifamily bond transactions. Multifamily bond applicants may submit the plans and specifications with the review fee at any time during the review process. It's the applicant's responsibility to be aware of the timelines imposed by the financing entities involved in the transaction and submit items in a timely manner.
HOME Action Plan					
	III. D. 1.) Application Fees	9	Bradley Carroll/Vantage Development ********** Gary Hall/AAHA	Application Fees have grown from $5,000 to $7,500 and Extension Fees have grown from $1,500 to $2,500. This fee growth is exessive. Fees should remain the same as in the 2016 QAP/HAP. Also, no fees should be assessed to any Applicant for delays it does not control, i.e., while awaiting release of	No changes will be made to application fees due to legal and environmental reviews, applicable consulting work and site and property assessments performed in connection with the review of each application.

Plan Section	Section Reference	Page #	Commenter Name / Company	Comments Received	AHFA Response
				HOME Funds or during other AHFA reviews. A line item should be added to the Application specifically for project related fees assessed.	AHFA may waive the extension fees for HOME funded projects that experience unusual delays due to archaeology studies, endangered species surveys or farmland conversion.
	III. G. 2.) Eligible Activities and Costs	12	Russell L. Bennett/ Low Income Housing Coalition of Alabama (LIHCA)	LIHCA recommends that AHFA utilize HOME funds for activities other than new construction of residential rental housing. Reason: The federal HOME program provides for eligible activities of homeowner rehabilitation, homebuyer programs, and rental subsidies. Rehabilitation activities are often used by local governments and nonprofits to stabilize communities and address health and safety issues in dilapidated homes. Rehabilitation is a key principle of smart growth strategies and better utilizes existing infrastructure and services. Affordable homeownership is another activity typically supported with HOME funds. It not only helps families obtain homeownership, it also supports the local tax base and stabilizes marginal communities. By expanding the state's HOME eligible activities, funds could be used to stabilize and improve blighted communities through rehabilitation, address health and safety issues of lower income homeowners, and create more decent and safe housing opportunities for individuals with low incomes.	No changes will be made.
	IV. C. 4.) Site Control	15	Ralph D. Ruggs/Tuscaloosa Housing Authority	Currently the HOME Action Plan only permits HOME Funds on fee simple transactions and does not permit ground lease	No changes will be made.

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				transactions. HOME Funds from local jurisdictions, however, have been used in ground lease transactions. The AHFA's prohibition is a major impediment to redeveloping blighted public housing that plague many communities throughout Alabama. Ground lease transactions are often the only avenue allowed by HUD that will permit redevelopment transactions. AHFA should permit ground lease transactions in projects involving Capital Funds, RAD, or in cases where a public housing authority is allocating Section 8 vouchers.	
	IV. C. 9. Applications Submitted in other Participating Jurisdictions	16	Bradley Carroll/Vantage Development ********** Gary Hall/AAHA	Only CHDO applications are allowed to apply for AHFA HOME Funds when located in a PJ. We believe this situation is not appropriate (especially when combined with the addition point allowed in the Addendum A scoring section and the 15% set aside) and gives too much advantage to CHDOs. Please remove this advantage.	No changes will be made. AHFA must provide appropriate incentives to ensure sufficient CHDO participation, thereby helping to ensure that the 15% federally mandated set-aside of HOME funds for CHDOs is allocated fully on an annual basis and not recaptured by HUD. 1 point will be awarded for being a CHDO applicant applying for Housing Credits combined with HOME funds that has attended AHFA's 2018 CHDO Workshop.
	IV. C. 12.) Site Control	17	Judy Van Dyke/Van Dyke and Company	Site location standards for new construction allow for exceptions to the two-mile radius requirement for applications that contain financing through HUD programs. (II C (13) (ii.)). Since many PHA's are redeveloping their entire portfolio under the Rental Assistance Demonstration Program, we	AHFA will not seek to interpret this comment for the 2018 Plans. Additional information should have been provided.

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				believe that this section should be amended to include the RAD conversions funds as set out on HUD form 50075.1 on lines 1503 and/or 1504. An additional exception for properties (1) proposing 100% Project Based Rental Assistance or Project Based Vouchers as evidenced by a Commitment for Housing Assistance Payments (CHAP) or (2) where the previously funded project has 100% Project Based Rental Assistance or Project Based Vouchers as evidenced by a HAP agreement for 100% of the units AND where the market analyst affirmatively states that the new project will not have a negative impact on the previously funded project.	
	IV. E. 1.) (iii) Determination of Financial Feasibility	20	Chris Retan/Aletheia House	The plan refers to high cost projects and projects with proposed costs that are significantly higher than projects that meet the AHFA minimum standard. However, there is no definition or explanation of the amount that would be considered high cost. This could be corrected by including the following in the definitions. AHFA will publish the per square foot construction costs and total development costs for all projects selected for funding. Any project with a per square foot construction cost or total development cost that exceeds 110% of the most expensive funded project in the previous year will be considered to be a high cost application that requires outside additional subsidies.	No changes will be made.
	IV. E. 1.) (iii) Determination of	20	Russell L. Bennett/ Low Income Housing Coalition	LIHCA recommends that AHFA not penalize projects that have higher than average per unit costs if the proposed project is	No changes will be made.

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	Financial Feasibility		of Alabama(LIHCA)	incorporating green building techniques above and beyond the requirements of the QAP. Green building materials or techniques may have a higher per unit cost, which impacts the overall project cost. Given that Alabama could benefit from more projects that incorporate green building, we ask that AHFA not disincentivize developers from incorporating green building into their projects.	
	IV. I. Progress Requirements after the Written Agreement	23	Dave Truitt/CAPNA	We feel that the extension fee structure is excessively punitive. Projects can be delayed for several months and be required to pay $5,000 per month. If the delay is due to an environmental issue that was not discovered or expected during the Phase 1 review and is out of the developers control (not reasonably expected under normal circumstances), we believe extension fees should be capped.	It is imperative that projects meet the deadlines in accordance with provisions established in Section 42. The deadline for all approved extensions will be increased from thirty (30) days to sixty (60) days. AHFA <u>may</u> waive the extension fees for HOME funded projects that experience unusual delays due to archaeology studies, endangered species surveys or farmland conversion.
A – Point Scoring System					
		1	Matt Edwards/SEEC	To allow a new construction and a rehab in the Participating Jurisdictions. Rehab projects have a difficult time competing year in and year out with new construction projects receiving city/county HOME funds in these counties.	No changes will be made.
		1	Bradley Carroll/Vantage Development	We request that AHFA allow the funding of both a new construction application and an application with expiring HOME Funds during the same round, if applicable. Such funding should only happen if scoring/tiebreakers would otherwise allow it.	No changes will be made.

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		1	Dian Torres/Pennrose Properties	Distribution of Housing Credits - We appreciate AHFA's desire and efforts to distribute Housing Credits throughout the state; however, we also realize that the major metropolitan areas have a much greater need for affordable housing due to population, age of affordable housing, and metropolitan growth rates. The affordable housing stock in the larger cities is very old and unsafe and has a high demand with high waiting lists with a growing population rate. We recommend that AHFA provide for an allocation for up to two projects per county for Jefferson, Mobile and Madison Counties.	No changes will be made.
		1	Lori L. Shackelford/Mobile Housing Board	AHFA has established a housing priority in order to achieve a balanced distribution of Housing Credits and HOME funds throughout the state in terms of geographical regions, counties, urban, and rural areas considering the highest need for affordable housing. AHFA has achieved this priority by allocating Housing Credits and HOME funds, generally to only one project per county. However, the major metropolitan areas of Alabama may have a greater need for affordable housing than the rest of the State. The affordable housing stock in these large cities is very old and unsafe, yet remains in high demand with high waiting lists. To address the significant affordable housing needs in high-population cities/counties, it is recommended that AHFA consider the following language:	

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				AHFA shall allocate Housing Credits for up to two projects per county for the high-population counties of the state to include Mobile.	
		1	Pat Dobbins/ DEPC, LL C	The last sentence in the final paragraph regarding the geographical allocation of HOME funds & Tax Credits seems to indicate that Rehab project applications are not held to the geographical distribution of the credits to a one project per county limit . The statement says "Please note that applicants applying for Housing Credits with HOME funds combined are for new construction projects only, therefore the rehabilitation points described in this Point Scoring System are not applicable." Please consider modifying this last sentence to say that the Point Scoring System applies as indicated for Rehab projects and that Rehab projects are not limited to the one project per county allocation for geographical regions to balance out the Housing Credits but may be funded to preserve the existing affordable housing stock previously funded by AHFA.	The following sentence is included in both Plans as a reminder that even though the Housing Credit Point Scoring System includes preferences for rehabilitation, those points are not applicable to applications for Housing Credits combined with HOME funds, because HOME funds are used for new construction only. "Please note that applicants applying for Housing Credits combined with HOME funds are for new construction projects only; therefore the rehabilitation points described in this Point Scoring System are not applicable."
	Award Selection	2	Quisha Riche/Huntsville Housing Authority ********** Lori L. Shackelford/Mobile Housing Board	Least Amount of Housing Credits Tie Breaker The QAP identifies a tie breaker based on the least Tax Credits per unit. Instead of developments being evaluated based on the quality of the projects, the benefits to their community, or how they might support the lowest income families, the awards are based on how inexpensively the project could be developed.	No changes will be made.

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				As a result, the tie-breaker creates an incentive to build the cheapest product possible instead of an incentive for building higher quality and energy efficient products. Additional sources of funding are typically necessary to supplement LIHTC equity and permanent financing to allow for providing affordable housing to very low-income families. We recommend that AHFA either use as a tie breaker or create scoring criteria to encourage leveraging additional funds that: 1.) help spread AHFA LIHTCs further, 2.) provide stronger and more effective developments, 3.) allow for servicing lower income residents, and 4.) demonstrate local support In lieu of cost per unit it is recommended that the current tie breaker be removed and AHFA might consider the following alternatives: *projects that provide additional leverage *have community support *have other development activities that affect the neighborhood *service the lowest income families through tiering	
	A. 1.) (i) (a.) Project Characteristics	4	Bryan Shumway/WISHROCK	Four points instead of three should be given for the inclusion of a computer center amenity due to the necessity of computer and broadband access for employment and schooling. According to a 2013 White House	No changes will be made.

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				report, low-income people are more likely to lack high-speed internet access at home; 93% of families making more than $100,000 have broadband access at home compared with only 43% of families making under $25,000. According to Pew Research Center reports, broadband access is closely correlated with educationational attainment - students with access to a computer and the internet at home are 6% to 8% more likely to graduate from high school.	
	A. 1.) (i) (a.) Project Characteristics	4	Bryan Shumway/WISHROCK	A walking trail with benches is listed as a 3-point amenity, but an outdoor fitness activity area is listed as a 4-point amenity. A walking trail with benches should be considered an outdoor fitness amenity and included in the outdoor fitness activity area point category for four points, particularly for an elderly property where walking is a popular form of fitness activity.	No changes will be made.
	A. 1.)(i.)(a.) Project Characteristics	4	Rory L. McKean/McKean & Associates, Architects, LLC	Recommend a 1:20 ratio rather than 1:14 for picnic tables and grills as the 1:14 ratio seems to be somewhat excessive for the number of dwelling units.	No changes will be made.
	A. 1.)(i.)(a.) Project Characteristics	4	Rory L. McKean/McKean & Associates, Architects, LLC	"A car wash station" is in the same paragraph as the "Emergency Pull Cord". These should be separated.	This modification will be made.
	A. 1.) (i) (a.) Project Characteristics	4	Bryan Shumway/WISHROCK	Four points are to be given to new construction projects only that have storm windows, thermal break insulated windows or extruded vinyl windows and insulated exterior doors. Windows must be Energy Star	No changes will be made.

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				rated. Two points only are given to rehabilitation projects for this work. Rehab projects using these materials should be given the four points. These energy efficient improvements should be encouraged equally for every project.	
	A. 1.) (i) (a.) Project Characteristics	5	Bryan Shumway/ WISHROCK	Two points are to be given to rehabilitation projects that replace all plumbing fixtures or that replace all HVAC equipment. To make standard with other energy-savings measures and to encourage energy-efficient projects, three points should be given for these improvements, in line with the window improvements.	No changes will be made.
	A. 1.) (ii) Energy/Water Conservation and Healthy Living	5	Russell L. Bennett/Low Income Housing Coalition of Alabama (LIHCA)	LIHCA applauds and appreciates the energy and water conservation incentives in the QAP. We recommend that AHFA further incentivize developers to incorporate additional design elements that support green practices and/or healthy living, which could include additional points (10 point maximum instead of 8 point maximum) for projects that can achieve a certification from Enterprise's Green Criteria, LEED, or other green building certification.	No changes will be made.
	A. 1.) (ii) Energy/Water Conservation and Healthy Living	5-6	Bryan Shumway/ WISHROCK	Energy Star rated LED lighting in the kitchen is to be given one point. This should at least be two points to be in-line with the plumbing and HVAC improvements on a rehabilitation project, or three points to be in-line with the window improvements to encourage energy efficient projects.	No changes will be made.

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	A. 1 (iii.) (a.) Rent Affordability – New Funds	6	Dian Torres/ Pennrose Properties	New Funds: We appreciate AHFA's desire to reward projects that leverage other public resources along with the LIHTCs. In order to leverage more public funds to the projects, we recommend AHFA consider additional financing sources from PHAs such as Program Income as a qualified source. PHAs can contribute to the project as a favorable construction/permenant loan (i.e. below market interest rate, cash flow payment only, etc.) and provide additional leveraging in addition to the the sources currently listed.	No changes will be made.
	A. 1 (iii.) (a.) Rent Affordability – New Funds	6	Quisha Riche/ Huntsville Housing Authority ********** Lori L. Shackelford/Mobile Housing Board	New Funds We understand AHFAs desire to favor points to projects that can leverage other public resources to the project. As you are aware, Public Housing Authorities (PHA) have a number of financing sources to support the development of affordable housing. The QAP currently lists Capital Fund Program Grant, HUD CDBG Disaster Funds, Replacement Housing Factor Fund Grant and CHOICE Neighborhood funds and HUDs Economic Development Initiative program funds as qualified PHA sources. In addition to these financing sources, we request that AHFA consider additional financing sources from PHAs such as Program Income as a qualifed source for points under this category. They should be required to be contributed to the project as a	

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				favorable construction/permenant loan (i.e. below market interest rate, cash flow payment only, etc). PHA funding could add further leverage to assist in delivering affordable units.	
	A. 1 (iii.) (a.) Rent Affordability – New Funds	6	Judy Van Dyke/Van Dyke and Company	Public Housing Authorities converting from Section 9 to Section 8 under the Rental Assistance Demonstration Program, transfer Capital Funds and other public housing funds to specific budget line items (1503 or 1504 of HUD form 50075.1) These funds are available for affordable housing purpose and should be allowed as a form of additional subsidy. We suggest that the following language be added to A. Points Gained 1.) Project Characteristics, (iii) Rent Affordability (a) New Funds: "Any funds, which prior to a RAD conversion, were designated as Capital Funds or Operating Subsidy Funds, as evidenced by a copy of HUD form 50075.1."	AHFA will not seek to interpret this comment for the 2018 Plans. Additional information should have been provided.
HOME	A. 1 (iii.)(a.) Rent Affordability - New Funds	6	Fred Bennett/The Bennett Group	For the first time, AHFA is indicating that up to 7 points will be given to projects which have a commitment for AHFA-approved sources of funds, "including AHFA HOME funds". Since it is not possible to have a firm commitment for these funds at the time of application, AHFA needs to clarify the implementation of this point criteria. If	AHFA HOME funds will be removed as a source of new funds. The maximum points for the Rent Affordability Section will be reduced from 13 to 10. This section will be revised as follows:

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				AHFA intends to award points just on the basis of how much HOME funds is requested, it would seem to drive all applicants to seek the maximum amount of $16,001 of HOME funding/unit, whether or not it is needed.	**New Funds** - A maximum of 5 points in aggregate will be given to projects which have a commitment for AHFA approved sources of new funds as follows:
Housing Credit	A. 1 (iii.) (a.) Rent Affordability – New Funds	6	Sam Johnston/Arbour Valley Development	Applying subsidy points to AHFA HOME Deals will flip the award rankings and ensure that AHFA HOME funds are readily allocated. To see the impact, we scored 2017 awards under 2018 draft guidelines and found that applicants with AHFA HOME funds made up seven (7) of the eight (8) highest scoring applications in the simulation, with PHAs representing the 2nd and 10th highest scores. The simulated scoring showed the significant narrowing of competitive applications and indicates that next year's awards will mainly consist of HOME and PHA deals. Applications with PJ HOME funds (traditionally competitive) will be disadvantage—especially PJ's that can't match the 7-point threshold of $16,001/unit. With PJ's relegated further down the line, some of these developments will not get funded unless AHFA continues to forward allocate credits. PJ's have tailored their programs around AHFA-administered LIHTC financing and select developers, thru a competitive process, to deliver housing in areas deemed important to the local communities. When the scoring of JP funds is weakened, local wishes and self-determination are diminished – and	1. A maximum of 5 points will be given to projects which have a commitment for the AHFA approved sources of new funds listed in this section of the Plans. 5 points - $16,001 + per unit 4 points - $12,001 - $16,000 per unit 3 points - $8,001 - $12,000 per unit 2 points - $4,000 - $8,000 per unit. 2. A maximum of 3 points will be given to projects which have a commitment for Capital Fund Program and Replacement Housing Factor Funds. 3 points - $30,001 + per unit 2 points - $16,000 – 30,000 per unit **Existing Funds** A maximum of 3 points will be given for existing USDA Rural Development funds. 3 points – $30,001 + per unit 2 points - $10,000 – 30,000 per unit

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				AHFA loses a subsidy to spread tax credits across more deals. We ask AHFA to find a better balance in scoring so that PJ's are put on competitive footing with AHFA HOME applications. Maybe allow AHFA HOME Funds to be coupled with PJ funds? Or award points for a PJ letter of support when a PJ HOME loan is less than $16,001/unit.	**Rental/Operating Subsidies** 2 points will be given to projects which have a commitment for rental/operating subsidies as follows: • USDA Rural Development commitment for at least 25% of the total proposed units. • Department of Housing and Urban Development commitment for at least 75% of the total proposed units. The Project Selection Procedures - Awards Selection (Page 1 of Addendum A) will be revised as follows: 1. The highest scoring project per county with ownership by an AHFA-approved CHDO will be funded until the regulatory 15% CHDO set-aside has been met. 2. The highest scoring Housing Credit project and/or HOME project combined with Housing Credits will be awarded per county until all available 2018 Housing Credits and HOME funds have been allocated.
	A. 1 (iii.) (a.) Rent Affordability – New Funds	6	Cindy Prater/The Bennett Group	New Funds: For self-scoring purposes applicants should be provided with specific guidance on how these points are calculated for the AHFA HOME funds being requested in their applications. This is of particular importance as self-scoring plays a major role in determining if an application is worthy of submission.	
	A. 1 (iii.) (a.) Rent Affordability – New Funds	6	Ann Marie Rowlett/Rowlett & Company, LLC	New Funds: For purposes of self-scoring, it would be helpful to have AHFA give specifics on how to calculate points based on the amount of HOME funds requested. I assume it is based on the same criteria as other funding with the maximum being 7 points if your HOME loan request is at least $16,001 per unit. If at underwriting it is determined by AHFA that amount of HOME funds is not feasible or warranted and the amount is lowered, would the scoring also be lowered? It is important to know the scoring before making a decision to submit an application.	
	A. 1 (iii.) (a.) Rent Affordability – New Funds	6	Bradley Carroll/Vantage Development Gary Hall/AAHA	AHFA HOME Funds are now scored on the same footing with the additional subsidies (Local HOME, CDBG, FHLB AHP, etc.). We are requesting clarification of how this will work. The language requires a "fully	

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				executed firm commitment from the applicable entity." Please clarify whether AHFA will provide such a commitment during an initial application round. If such an initial application is not planned, please clarify how and when the commitment will be received. Please clarify whether applications for HOME funds will be required to clearly show financial need for the funds. If proof of such need is not required, then all new contruction deals will apply for HOME funds as a matter of course in order to score. Please clarify whether AHFA has considered the ramifications of this change with regard to the importance of tiebreakers, the effect on rehabs and the effect on Local PJs.	3. If all available 2018 Housing Credits have been awarded and there still remains available HOME funds, the highest scoring HOME project combined with Housing Credits may be awarded per county, subject to a future-year Housing Credit Allocation. Projects with a net score of less than 70 points (Points Gained less Points Lost) will not be considered for awards.
	A. 1 (iii.) (a.) Rent Affordability – New Funds	6	Pat Dobbins/DEPC, LLC	(iii) Rent Affordability (a.) New Funds - consider removing the comment regarding the "Existing funds that are assumed and/or term (s) extended do not qualify for points under this criteria. The extended HOME Loan rehab properties could get preference in this area to allow for more of the AHFA previously funded properties to be improved and preserved.	
	A. 1 (iii.) (b.) Rent Affordability – Existing Funds	6	Michael Hellier/Gulf Coast Housing Partnership	1)-iv-Rent Affordability: 4 or 5 points for assumpion of a 515 loan is too high. This is not a "cash" subsidy that can be used to pay costs related to the redevelopment of a property but simply a paper transaction. Subsidy points alloted for assumpion of an existing loan, if given at all should be minimal.	The points for existing funds will be revised as follows: A maximum of 3 points will be given for existing USDA Rural Development funds. 3 points – \$30,001 + per unit 2 points - \$10,000 – 30,000 per unit

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t	A. 1.) (iii) Rental Operating Subsidies	6-7	Bryan Shumway/WISHROCK	In the current proposal, a project that has a commitment of rental/operating subsidies for at least 25% of the total proposed units from USDA Rural Development or HUD will receive two points. The points awarded should be more in-line with the four points awarded to other existing funds projects to not disadvantage projects with this type of existing funding.	No changes will be made.
	A. 1.) (iv.) Tenant Needs	7	Michael Hellier/Gulf Coast Housing Partnership	iv. Tenant Needs - Add a section worth 2 points for projects reserving at least 25% of the total project units for Veteran households.	No changes will be made.
	A. 1.) (iv.) Tenant Needs	7	********** Russell L. Bennett/Low Income Housing Coalition of Alabama (LIHCA)	LIHCA applauds and appreciates the 1 point incentive for 1) developers who create 3 or more bedroom units for large, lower-income families, and 2) 2 points for developers to set-aside units for individuals/families with disabilities and those who are transitioning from homelessness. We hope that AHFA increases the point incentives for developers to serve those who are most vulnerable.	No changes will be made.
	A. 1.) (vi.) (a) Project Type	7	Michael Hellier/Gulf Coast Housing Partnership	1)-vii-Project Type: Points should not be awarded for paying off an existing HOME loan. This is an owner commitment similar to a compliance commitment and owners should not be rewarded an incentive for doing what they committed to do. Indeed, it should be a "negative action" or a loss of compliance points if a loan is not paid off by the maturity date. In addition, paying off of a loan for an existing project does in no way	This section will be revised as follows: A maximum of 8 points will be given for the rehabilitation of a project with an existing AHFA HOME loan that matures prior to or within the year covered by the applicable QAP. In order to be eligible for these points the project must meet one of the following criteria:

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				make it a "higher quality" project as compaired to other submittals. We understand there may be other issues of concern to the Agency that are driving these points. As an alternative if necessary, a set-aside similar to the CHDO could be established in which these properties could compete. However, these applications should not roll to the general pool affecting other applications. The individual applicants would have the choice to compete in the set-aside or the general pool.	8 points – If the proposed project has paid 100% of the HOME loan (principal and interest) 6 points – If the proposed project has fully executed a commitment with AHFA for a fifteen (15) year extension of the project's original HOME loan.
	A. 1.) (vi.) (a) Project Type	7-8	Bradley Carroll/Vantage Development ************** Gary Hall/AAHA	Existing HOME Projects should be allowed to submit Applications for additional 9% Tax Credits without a pay-down of the existing HOME Loan.	No changes will be made.
	A. 1.) (vi.) (c.) Project Type	8	Dian Torres/ Pennrose Properties	Project Type (c) - Due to the stringent requirements of both HUD's Site and Neighborhood Standards and AHFA's scoring to get affordable housing in higher AMI census tracts, we recommend the removal of the requirement that replacement housing be on the same site. As PHAs work to replace PHA developments with mixed-income developments, it is both HUD and AHFA's desire to integrate affordable housing developments in mixed income census tracts in an effort to deconcentrate poverty. In order to incentivize this shift, we recommend removing the requirement that replacement housing be on the same site.	No changes will be made.

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	A. 1.) (vi.) (c.) Project Type	8	Lori Harris/Norstar Development USA, L.P.	Section (vi.)(c.) Project Type – Under section (c.) of this scoring criteria, rehabilitation and replacement of previously existing multifamily housing receive 1 point. Issue: An implementation plan that includes neighborhood revitalization and the replacement of previously existing multifamily housing requires coordination with multiple and multi-year commitments from local agencies. Recommendation: It is recommended that the points awarded for this subsection be increased from 1 point to 4 points. An increase in scoring could be justified to compensate for the increased complexity in neighborhood revitalization and the replacement of previously existing mult-family housing.	No changes will be made.
	A. 1 (vii.)(a.)(1) Neighborhood Services	7-8	Butch Richardson/ Olympia Construction ********** Pat Dobbins/Helen, LLC	Points Gained for Neighborhood services - for rehabilitation projects consider expanding the required distance to "within 3 miles". A property that has served a community well for years should not be subject to the same location criteria as a new construction site that can be selected.	This section will be revised to expand the required distance of neighborhood services for points to within 3 miles of the site.
	A. 1.)(vii)(a.)(1) Neighborhood Services	7-8	Cindy Prater/The Bennett Group	Neighborhood Services: Points for services should be waived and/or the service distance should be expanded for expiring HOME projects applying for additional credits. It seems unfair to penalize these existing projects for an item not initially considered a factor when they first received an allocation of HOME funds.	

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	A. 1.)(vii)(a.)(1) Neighborhood Services	7-8	Ann Marie Rowlett/Rowlett & Company, LLC	Neighborhood Services: For expiring AHFA HOME projects coming back in for additional credits, the points for services should be waived or the service distance should be expanded. Older rural HOME loans which are expiring often do not have services close to them and that factor was not consididered when the HOME funds were initally allocated to the project.	
HOME	A. 1(vii.)(a.)(1) Neighborhood Services	7-8	Fred Bennett/The Bennett Group	For applications related to the project with an expiring HOME loan, points should be giving for services which are beyond the 2-ie limit cited. Perhaps using 3 or 4 miles would be sufficient. But many of the early HOME projects are located such that they lose some of these points, and thus won't be competitive with new proposals. If AHFA wants to prioritize the recapitalization and preservation of these properties, this "radius" rule could be limited to just expiring HOME projects and not allowed for other acquisition/rehab proposals.	
	A. 1(vii.)(a.)(1) Neighborhood Services	7-8	Bradley Carroll/Vantage Development	For projects with expiring HOME Loans, the distance requirement for Neighborhood Services should be increased to 3 miles. Many of these developments were funded under QAPs with much less stringent requirments and will never score under the current rules. They should also be exempt from the census tract scoring item.	
	A. 1(vii.)(a.)(1) Neighborhood Services	7-8	Pat Dobbins/Helen, LLC	Points Gained for Neighborhood services - Consider adding an additional Neighborhood service such as an ATM or Post Office/Mail Center to enable properties to have some additional options in the event the 5 services	

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				listed are not available. Also, consider deleting the comment regarding the error in directions counting off 2 points and move that item to a clarification that the applicant could consider submitting along with a fee in the event the error is made or cannot be resolved without the fee based option clarification. It could be that the service has been moved since the application was originally submitted.	
	A. 1(vii.)(a.)(1) Neighborhood Services	7-8	Russell L. Bennett/Low Income Housing Coalition of Alabama	LIHCA recommends consideration of households that do not have an automobile in the section related to proximity of neighborhood services. For those without transportation, 2 miles is a long way to walk, especially if one is carrying groceries. One alternative could be to increase the points for properties that are located within 1 mile of neighborhood services (there may have to be a distance differential between urban and rural properties for the sake of equity). Another alternative could be to offer points for properties that are on an existing public transportation route.	
	A. 1. (vii) (2) Census Tract Location	8	Quisha Riche/Huntsville Housing Authority ********** Lori L. Shackelford/Mobile Housing Board	Census Tract Location A maximum of 2 points will be given to a project located in a census tract where the Median Family Income from the 2010 census data is equal or above the following percentages of the county's 2016 Annual Median Family Income published by HUD: 1 point for– 80% to less than 100% 2 points for– 100% or more	No changes will be made.

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				We believe this priority continues to redline urban city development and creates a reverse discrimination by developing and focusing only in upper income communities. We recommend that no weight be given to any census track based on income or minority concentation We further recommend that AHFA provide scoring that encouranges participation of local entities that enhance the affordability of the development such as "Local PHA/Government Contribution" It is recommended that AHFA consider the following language: Two (2) points will be awarded for projects receiving a long-term ground lease (no less than 45-year) from a local public housing authority or government entity for nominal consideration and no other land costs. Leases can only be considered for points under this category and not under any other scoring category.	
	A. 1. (vii) (2) Census Tract Location	8	Lori Harris/Norstar Development USA, L.P.	Section (vii.)(a.)(2.) Location –A maximum of 2 points are available for projects located in a census tract where the Median Family Income from the 2010 Census data is equal or above the County's 2017 Annual Median Family Income.	No changes will be made.

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				Issue: While the scoring in this section is supportive of the policy goal of deconcentrating poverty, the point scoring also undermines the ongoing redevelopment plans/efforts in QCTs. Recommendation: To further the policy of deconcentrating poverty, it is recommended that projects located in QCTs that include unrestricted, market units be eligible for points in this section. This would further the intent of ensuring a combination of market rate and LIHTC-eligible units. Specifically, the point scoring could be modified to reflect 1 point for projects including a minimum of 10% market rate units and 2 points for projects that include more than 10% market rate units.	
	A. (vii)(b.)(1.) Negative Neighborhood Services	9	Butch Richardson/ Olympia Construction ********** Pat Dobbins/Helen, LLC	Negative neighborhood services - an exception is given for being near a railroad for rehabilitation projects. Consider giving exceptions for other negative items if the applicant can demonstrate that the existing property has existed near what is considered negative for years but with no negative or adverse impact.	During the required commenting period, any prospective applicant should comment and explain why an exception should be made for any "other negative items" so that AHFA can review and make said adjustment, if required, upon the conclusion of all comments received.
	A. (vii)(b.)(1.) Negative Neighborhood Services	9	Bradley Carroll/Vantage Development	For projects with expiring HOME Loans, an exception should be made for nearby Negative Neighborhood Services, if the the applicant can demonstrate said Negative Service has not negatively impacted the development.	

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	A. 1. (vii.) (b.) (1). Negative Neighborhood Services	9	Sam Johnston/Arbour Valley Development	New construction developments located near a railroad should not lose five (5) points provide there is a noise mitigation plan (subject to HUD standards) which is presented at time of application.	Points will not be deducted for properties located adjacent to a railroad, if the noise levels are acceptable (outside noise level < 65dB; interior noise level < 45 dB). AHFA will rely on the noise level assessment **required** in the environmental report submitted with the application. The Phase I Environmental Site Assessments for all projects must include a completed HUD "Noise (EA) – Partner Worksheet", HUD "Airport Hazards – Partner Worksheet" and a completed HUD Airport Runway Clear Zones Partner Worksheet". If the noise levels are not acceptable, mitigating measures must be incorporated into the project to reduce anticipated noise levels. AHFA will not approve an application for AHFA HOME funds if anticipated noise levels at the project site are above acceptable levels or if any part of the project site is located within the runway protection zone/clear zone of a civilian airport (RPZ/CZ) or accident potential zone of a military airport (APZ).
	A. 1. (vii.) (b.) (1). Negative Neighborhood Services	9	Judy Van Dyke/Van Dyke and Company	The 2018 draft QAP does not currently allow for the violation of proximity to an electrical substation to be proven to be inconsequential. Being adjacent to an electrical utility substation is an automatic 5-point deduction. However, it can be proven that there is no negative impact to site. We respectfully request AHFA to allow future applicants the opportunity to prove there has been no negative impact to the site.	No change will be made.

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				Also, we suggest the following language addition. Negative Site Characteristics: An exception for electrical utility substations located adjacent (or nearby) a site should be allowed for the following circumstances: 1. Rehabilitation of existing multifamily units 2. Replacement of public housing authority owned units with new construction. 3. Historic properties, or 4. Where an applicant presents at time of application evidence that there is no environmental threat to the subject property, no power lines cross the subject property and the electrical substation is not visible from the subject property.	
	A. 1. (vii.) (b.) (2). Negative Neighborhood Services – Accessibility	9	Pat Dobbins/DEPC, LLC	Negative neighborhood services - (2) Accessibility-consider adding a comment that takes into consideration a previously funded AHFA property submitting a rehab application for the property that may now have streets or sidewalks that would otherwise be considered unsatisfactory that have become that way over time and may be corrected as part of the rehab and also for a new construction property that will work with the local officials on getting improved sidewalks and streets for entry into the property having this information included along with the initial application as documentation of the improvements.	No changes will be made.
HOME	A. 2.) (ii.) & (iv.) Applicant Characteristics	9 - 10	Chris Retan/ Aletheia Housing	Section 2 (ii), which provides 5 points for applicant owners that have completed five projects since 2006, will place CHDOs at a great disadvantage. Non-CHDO applicant	No change will be made.

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				owners that cannot meet this requirement by themselves can partner with another owner to meet this requirement. However, since CHDOs must own 100% of the property to qualify for CHDO funding, they do not have this option. In some cases, this will mean that CHDOs that would otherwise want to apply for CHDO set-aside funds will not apply as a CHDO since they will need to have another partner to earn these five points. There are very few CHDOs that will be able to meet this requirement of developing 5 projects in 11 years, and they would be organizations that have been involved in the tax credit process for a long time. This item will greatly disadvantage new CHDOs since they cannot earn these points alone and don't have the option of partnering with another owner. Discouraging new CHDOs from participating in the HOME program through this point item is not consistent with AHFA's goal of encouraging participation by more CHDOs. As an alternative, these 5 points should be available to CHDOs that have developed at least two projects since 2006. Or Section 2 (iv) on Page 10 should be changed so CHDO's would earn six points (an increase of five points) for being a AHFA-approved CHDO applicant applying for Housing Credits combined with HOME and attending the AHFA's CHDO workshop so they can make up for their five point disadvantage in Section 2(ii).	

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	A. 2.)(iv.) Applicant Characteristics	11	Butch Richardson/Olympia Construction ********** Pat Dobbins/DEPC, LLC	Eliminate 1 point for AHFA-approved CHDO Applicants.	AHFA must provide appropriate incentives to ensure sufficient CHDO participation, thereby helping to ensure that the 15% federally mandated set-aside of HOME funds for CHDOs is allocated fully on an annual basis and not recaptured by HUD. 1 point will be awarded for being a CHDO applicant applying for Housing Credits combined with HOME funds that has attended AHFA's 2018 CHDO Workshop.
	A. 2.)(iv.) Applicant Characteristics	11	Thomas Ward/CRN Development, LLC ********** Allan Rappuhn/ Gateway Development Corporation	Remove points for CHDO's. AHFA has always tried to not have a set-aside, but by giving them one additional point you are giving them preference. CHDO's are already selected first for AHFA HOME funding.	
	A. 2. (iv.) Applicant Characteristics	11	Bryan Shumway/ WISHROCK	AHFA-approved CHDO applicants will be given one point for applying for Housing Credits combined with HOME and that have attended AHFA's CHDO workshop. This gives CHDOs an additional advantage over other applicants (they are already selected first for HOME funding).	
	A.2. (iv.) Applicant Characteristics	11	Bradley Carroll/Vantage Development *********** Gary Hall/AAHA	CHDO's receive an extra point. We believe this advantage is not appropriate and gives far too much scoring weight to CHDOs, which already get preference via the set-aside. Please remove this advantage	
B - Environmental Policy Requirements					
	Application Completeness Requirements	2	Chris Retan/Aletheia House	Under the current Environmental Policy, projects are terminated without an opportunity to make corrections when, in the	No changes will be made.

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				opinion of AHFA staff, items are missing or fail to materially adhere to AHFA's standards. There is no process of appeal. This process puts an unfair burden on the developer to review the detailed contents of the Phase 1 Report, which is beyond the developer's level of experise. This process is also unfair to the consultants, since their reputation may be diminished when a project is not funded due to a problem in their report which may decrease the liklihood they will be hired for future projects. Under the current process, there is not even an opportunity to appeal differences in fact, such as the direction of groundwater flow. As an alternative, developers should be able to make corrections to Phase 1 ESA reports if they have: 1) attended the AHFA environmental policy workshop, 2) hired an environmental consultant who has been certified by AHFA as having sufficient education and experience, and 3) ensured all of the items on the checklist are completed. In addition, environmental consultants should have the opportunity to review and respond to the items that have been deemed to be non-compliant before a negative determination is made about their work product. Finally, in those are situations where there is a dispute between the environmental consultant and AHFA about an item in the environmental report that will cause the project to be terminated, the developer should have the option to pay for a review of the	

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				item by an independent third-party environmental consultant which will be used by AHFA to make a final determination.	
	Addendum B-1 9. b. Wetlands	7 -8	Bryan Shumway/ WISHROCK	The requirement that no portion of the site may contain wetlands, streams, lakes, or other water bodies is too stringent for an existing affordable property that is to be acquired, rehabilitated, and preserved in the affordable housing supply. If an existing property can be in the 100 year floodplain as long as it shows approriate and relevant flood insurance, the same kind of exception for an existing rental property should be made for wetlands, streams, lakes, or other water bodies. If proper measures are shown to be taken regarding the body of water, and the body of water has not had a negative impact on the property under previous ownership, the property should be able to compete without restriction or penalty for funding to enable it to remain part of the affordable housing supply.	No changes will be made. AHFA's basis for this requirement is to eliminate any potential ongoing regulatory compliance requirements (and the associated costs related thereto) that would likely be required in connection with on-site water bodies.
	Addendum B-1 9. b. Wetlands	7	Dee Brightwell/Arbour Valley Development	AHFA should allow non-jurisdictional wetlands to remain on a site instead of having to carve out wetlands from a parcel as long as the area is delineated, undisturbed and buffered appropriately per county and state codes.	
	Addendum B-1 9. b. Wetlands	7	David Sumrall/AVD	Wetlands and bodies of water are notoriuosly mislabled or shown several hundred feet away from their actual location on topo maps and especially on the NWI maps. These mislabled areas are obvious in most	If wetlands are suspected to be present by the environmental professional conducting the review of a proposed site or any government record (e.g., a NWI map, topographic map, or soils map) depicts

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				instances. AHFA should allow the EP to make this determination with appropriate back up information, pictures, etc. Requiring that a JD be obtained from the U.S. Army Corps of engineers will take 6 months to a year.	wetlands or other water bodies on a proposed site, AHFA cannot accept any other confirmation of the absence of wetlands or other water bodies on site other than from the regulatory authority responsible for making such determinations -- the U.S. Army Corps of Engineers (USACE). To the extent wetlands are suspected to be on a proposed site, AHFA recommends that applicants submit a request for jurisdictional determination as soon as possible in the evaluation of a proposed site.
	Addendum B-1 10. Aboveground Storage Tanks	8	********** Michael Hellier/Gulf Coast Housing Partnership	10. If AHFA continues to require applicants to submit photographs of Above Ground Storage Tanks that meet the criteria in this section at the Final Application stage, please indicate so in this section. In 2017, form 31a - Site/Project Information Form was the only section that contained this requirement. The environmental professional conducting the Phase I should know to photograph the ASTs during their field verification.	No changes will be made.
	General/ Environmental		Dee Brightwell/ Arbour Valley Development	Regarding Registered Brownfields with ground contamination, AHFA should rely on approvals from appropriate authorities such as ADEM, which may not require 100% remediation of soils, instead of mandating a clear final deed with no conditions. Other housing agencies encourage development in Brownfields to help cities revitalize and develop old industrial areas. We ask AHFA to make tax credits available for Brownfield	If applicants select a site with contamination, the applicant must demonstrate that all environmental conditions associated with the project are appropriate for **unrestricted** residential use as defined by the Alabama Department of Environmental Management ("ADEM") under Alabama Administrative Code regulation 335-15-1.02(ccc). The only use restriction permitted on the site is a prohibition on use of groundwater for

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				sites provided a developer has ADEM or other required approvals.	potable or irrigation purposes. AHFA's basis for this requirement is to eliminate all possible risks to future residents associated with onsite contamination and to eliminate ongoing annual reporting/monitoring requirements (and the costs related thereto) associated with any contamination remaining on-site.
	General/ Environmental		Dee Brightwell/ Arbour Valley Development	We ask AHFA to specify more clearly what environmental approvals are required from Appropriate Authorities (e.g., ADEM) or coordinate directly with the Authorities who will provide such approvals so developers can provide AHFA with the correct documentation.	No changes will be made.
	General/ Environmental		Fred Bennett/The Bennett Group	Given the increased amount and level of detailed information required for the Phase 1 report, we recommend some provision be made for discussion or appeal of adverse finding by AHFA.	No changes will be made.
	General/ Environmental		Gary Hall/AAHA	Every HOME project is delayed by at least six months due to excessive Environmental Reviews. We request that AHFA place time limits on its reviews. We also request that extension fees not be assessed to projects that are delayed due to environmental reviews.	It is imperative that projects meet the deadlines in accordance with provisions established in Section 42. The deadline for all approved extensions will be increased from thirty (30) days to sixty (60) days. AHFA may waive the extension fees for HOME funded projects that experience unusual delays due to archaeology studies, endangered species surveys or farmland conversion.
C – Design Quality					

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Standards & Construction Manual					
	I. Introduction	3	Rory L. McKean/Mckean & Associates, Architects, LLC	Replace 90.1 with 90.2. 2007 ASHRAE 90.1 is an energy standard for all building types except Low-Rise Residential Buildings. 2007 ASHRAE 90.2 is an energy standard for Low-Rise Residential Buildings.	This change will be made.
	II. C. 1.) Clubhouse Community Building Standards	4	Rory L. McKean/Mckean & Associates, Architects, LLC	Under Project Standards, Clubhouse/Community Building Standards, replace "and be ADA accessible" with "and meet the applicable accessibility standards associated with the various functions of the Clubhouse/Community Building." Because the Clubhouse/Community Buildings typically contain both public use spaces (Leasing Office, Toilets) and common use spaces (Gathering Rooms, Computer Centers, Fitness Centers, etc.) they are subject to different accessibility standards and the description would be more accurate to state it as such.	This section will be revised as follows: The eligible square footage of the Project's clubhouse/community building or space(s) is 3,000 square feet heated and cooled (inclusive of the office area, community laundry, community meeting room, restrooms, kitchen, etc.) The clubhouse/community building or space(s) may exceed 3,000 square feet heated and cooled but any square footage exceeding this amount will not be included in the eligible basis used to calculate the Housing Credits. The clubhouse/community building or space(s) is required to meet all applicable accessibility standards.
	II. C. 5.) D. Title Sheet	6	Rory L. McKean/Mckean & Associates, Architects, LLC	Under Title Sheet, add "and Accessibility Standards" after "Building Codes". Adding applicable accessibility standards to the Title Sheet helps designers and reviews better clarify the design intent.	The Title Sheet must indicate the Building Codes and Accessibility Standards that are applicable for the project.
	III. 3.) a. 4. Exterior Finishing Materials	7	Rory L. McKean/Mckean & Associates, Architects, LLC	# 4, revise "hollow metal" to "metal insulated". Insulated metal doors are a more common and energy efficient entry door option than	This change will be made.

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				hollow metal doors. Insulated metal doors are probably what is intended here.	
	III. 3.) a. 8. Exterior Finishing Materials	7	Rory L. McKean/Mckean & Associates, Architects, LLC	Item No. 8. Revise the last sentence to read "with a maximum slope of 2% in each direction." A 1/4" per foot exceeds the slope allowed in Fair Housing and ADA for an Entry stoop or pad.	Entry pads measuring 4 feet by 4 feet made of impervious material with a slope that meets Fair Housing and ADA standards are required at each exterior entry.
	III. b. 12. Other Exterior Standards – sidewalks	8	Russell L. Bennett/Low Income Housing Coalition of Alabama (LIHC)	LIHCA recommends that AHFA consider other building materials besides concrete (such as pervious pavers) for sidewalks which could reduce the impact of storm water runoff.	No changes will be made.
	III. 5. A. 2. Interior Building and Space Standards	9	Rory L. McKean/Mckean & Associates, Architects, LLC	#5)a.2. Recommend replacing (STC) 54 with (STC) 50. The International Building Code (IBC) 2009 and 2012, which is referenced in the QAP, requires an (STC) 50. Requiring the same (STC) rating as the building code would be more consistent. Note that the QAP requires an (STC) of not less than 50 and an (IIC) of not less than 50 for Sound Proofing between floors as indicated in #5)a.3. which are the ratings required by the IBC.	No changes will be made.
	IV. 7.) Interior Building and Space Standards	13	Rory L. McKean/Mckean & Associates, Architects, LLC	A redlined 8 appears beside the 7.	This modification will be made.
	IV. 8.) Plumbing and Mechanical Equipment	15	Rory L. McKean/Mckean & Associates, Architects, LLC	A redlined 9 appears beside the 8.	This modification will be made.
	V. 4. F. Plumbing and Mechanical Equipment	19	Judy Van Dyke/Van Dyke and Company	In the Rehabilitation section, Section V.4.F. says "Units with existing washer/dryer connections must replace and install new water supply fixtures and valves." This	No changes will be made.

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				should add specific language that says washer/dryer connections are required in all units. While the Rehabilitation Certification form does make this explicit, often times the architect and designers are using the DSQ for deviation reviews and this can be overlooked since it is not explicit.	
D – Compliance Monitoring Procedures, Requirements & Penalty Criteria					No comments were received by AHFA on Addendum D - Compliance Monitoring Procedures, Requirements & Penalty Criteria.
General Comments					
	General Comment		Thomas Ward/ CRN Development, LLC	Construction Cost – Please publish the cost limits.	No changes will be made.
	General Comment		Fred Bennett/The Bennett Group	As a goal for AHFA, it would be helpful if all guidance and requirements were located in one searchable document. Currently, developers must track back and forth between the QAP, the Instructions, the website and then many of the forms have unique instructions. Much time is consumed, and many otherwise avoidable mistakes could be avoided, if the QAP included all of the above in a searchable format.	AHFA endeavors to provide clear and concise application instructions. Applicants are encouraged to comment on the application forms which are released prior to the application cycle. In addition, AHFA conducts an annual HOME & Housing Credit Application workshop, where changes to the application forms and requirements are discussed. The 2018 application workshop will be optional.

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					Therefore, the 5 points for providing AHFA's Certificate of Attendance for the AHFA-sponsored HOME/Housing Credit Application Workshop will be removed from Addendum A – Point Scoring System.
	General Comment		Ann Marie Rowlett/ Rowlett & Company, LLC	Basis Boost: AHFA should consider giving all expiring HOME loan projects the 30% basis boost regardless of location. These projects are very challenging financially and are not very desireable for most banks and investors because of the amount of equity and construction loan.	Section II,G.2 of the Housing Credit Plan will be revised as follows: Under Section 42(d)(5)(B)(v), AHFA may designate a building(s) that shall receive an increase in eligible basis in order for the building(s) to be financially feasible as part of a qualified low-income project and shall be treated as located in a difficult development area. AHFA will consider designating a building(s) in an application as being located in a difficult development area and the designated buildings(s) may receive an increase in eligible basis if AHFA determines that the project requires an additional increase in eligible basis to be financially feasible and it must meet one (1) of the following criteria: (i.) The applicant is applying for building(s) financed with AHFA HOME funds and AHFA is providing the first and second mortgages; or (ii.) The proposed project has fully executed a commitment with AHFA for a fifteen (15) year extension of the project's original HOME loan.
	General Comment		Cindy Prater/The Bennett Group	Basis Boost: As expiring HOME loan projects are not the most desirable for most lenders/investors, AHFA should consider providing them with the 30% basis boost (regardless of location).	
	General Comment		Bradley Carroll/Vantage Development ********** Gary Hall/AAHA	We request that AHFA automatically provide the 130% Basis Boost to any expiring HOME Project that is applying for Tax Credits. Furthermore, we request that HOME Projects with no demonstrable path to refinancing (either through LIHTC or new loans) or substantial repayment be allowed to extend the existing HOME loan for another 20 years.	

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	General Comment		Ann Marie Rowlett/Rowlett & Company, LLC	HOME Loan Reduction for Expiriing HOME Loans: AHFA should consider allowing any expiring HOME deal to apply for additional credits regardless of the ability of the project to pay down 30% of the HOME loan. Or at the very least, let each project present its current financial condition to demonstrate its inability to repay the debt and have AHFA make a determination if the project can qualify or not to move to the tax credit appliction process.	No changes will be made.
	General Comment		Cindy Prater/The Bennett Group	Reduction of Expiring HOME Loans: AHFA should allow expiring HOME deals to apply for additional credits without a 30% pay down of the HOME loan. The projects should at least have an opportunity to present their inability to pay down this particular percentage, as some may be able to pay a smaller amount. AHFA could then make a determination regarding the projects ability to move forward in the application process on a case-by-case basis.	
	General Comment		Russell L. Bennett/Low Income Housing Coalition of Alabama (LIHCA)	LIHCA recommends that AHFA decouple Alabama HOME funds from the Low Income Housing Tax Credit (LIHTC) Program. Reason: HOME funds are instrumental around the country for undertaking rehabilitation and for developing small projects for vulnerable households, victims of domestic violence, and youth aging out of foster care. There are a number of nonprofit organizations that would like to be able to access HOME funds and develop supportive housing that might have fewer than 12 units. These nonprofits serve the most vulnerable	No changes will be made.

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				populations and are willing to provide supportive services to create the supportive housing needed to sustain these households in safe and affordable homes. Additionally, studies have shown that the cost of housing plus services is much less expensive then the costs associated with expensive alternatives such as shelter care, hospitals, jails, etc. Smaller tax credit deals are infeasible and, generally, tax credit investors are not interested in small properties. If AHFA makes available a portion of the HOME funds separate from the LIHTC program, 1) the nonprofits referenced above could provide supportive housing for these vulnerable populations, while also saving the state money on more expensive alternatives associated with homelessness and those at-risk of homelessness, and 2) HOME resources could flow into more communities throughout the state where a 6-8 unit project would be impactful.	
	General Comment		Russell L. Bennett/Low Income Housing Coalition of Alabama (LIHCA)	LIHCA recommends that AHFA incentivize developers to provide a portion of the units in all developments as permanent supportive housing by including selection criteria points in the QAP to projects that integrate a percentage of 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	No changes will be made.

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				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. Developers could partner with local service providers to support these tenants with supportive services. 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 help to reduce the number of homeless and extremely rent burdened households living in Alabama.	
	General Comment		Russell L. Bennett/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 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. 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), renters (who can search free of	No changes will be made.

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				charge), but also in times of disaster when housing must be located quickly and efficiently.	
	General Comment		Bradley Carroll/Vantage Development ********** Gary Hall/AAHA	Appeal Process – We request a written Appeal Process with regard to disputed scoring items and disputed environmental issues where two professional disagree on findings. Such a process will allow for the fair and accurate resolution of any disputes.	No changes will be made.
	General Comment		Bradley Carroll/Vantage Development ********** Gary Hall/AAHA	QAP input – We request a forum with AHFA to discuss staff proposed changes to the QAP/HAP before the DRAFT QAP/HAP are published. This forum would better inform potential applicants as to the reasons and desired effects of staff proposed changes, thus allowing them to better provide comments.	No changes will be made.
	General Comment		Bradley Carroll/Vantage Development ********** Gary Hall/AAHA	The Application Instructions should be the complete and only source for guidance in completing the Application. Currently, various and differing information is in the QAP, the Application Instructions, the AHFA Website, and some Forms, which have their own instructions.	No changes will be made.
	General Comment		Bradley Carroll/Vantage Development ********** Gary Hall/AAHA	Review the AHFA Website and online Application to insure that all possible project types are included in appropriate locations: adaptive reuse, rehabilitation, acquisition/rehabilitation, new construction and rehabilitation with new construction.	The multifamily section of the AHFA website is reviewed and routinely updated. Please notify AHFA of any specific concerns/corrections by sending an email to: ahfa.mf.general@ahfa.com
	General Comment		Gary Hall/AAHA	The maximum construction contingency should be increased from 4% to 6% for new construction and to 10% for rehabs. Lenders/Investors require higher limits. Also, whatever contingency amount is allowed, it	No changes will be made.

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				should be clearly stated in the QAP/HAP underwriting standards.	
	General Comment		Allan Rappuhn/ Gateway Development Corporation	Remove useless items from application such as telephone letter. Tenants all use cell phones so getting this letter is a waste of time.	No changes will be made.

Again, AHFA thanks all individuals and entities who provided comments for consideration in developing the final 2018 Housing Credit Qualified Allocation Plan and HOME Action Plan. All comments and AHFA responses provided in this summary are subject to modification and approval by the applicable authorities as specified under Section 42.

STATE OF ALABAMA

Public Comments Received through the
Citizen Participation Process
for the
Housing Trust Fund (HTF) Program's PY2018 One-Year Annual Action Plan

In reference to the State of Alabama's PY2018 One-Year Annual Action Plan for the Housing Trust Fund (HTF) Program, the following public comments were received by the Alabama Housing Finance Authority (AHFA) as a result of the April 26, 2018 public hearing for the HTF Program. AHFA's responses to these public comments are also included herewith.

2018 Draft National Housing Trust Fund Allocation Plan
Summary of Public Comments Received and Responses by AHFA

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Draft 2018 HTF	D. Eligible Activities	3	Lauren Banks Killelea/Low Income Housing Coalition of Alabama	LIHCA recommends that AHFA include acquisition and rehabilitation in addition to new construction as eligible activities under the National Housing Trust Fund. *Reason: Alabama has a significant number of existing vacant units, both single-and multifamily that are in need of repairs. Allowing grantees to acquire and rehabilitate properties for affordable rental housing will not only work towards AHFA's goal of creating housing opportunities for individuals and families that are homeless or at risk of homelessness, but will also retain existing housing inventory and eliminate blight.*	Due to time constraints and the complexity of HUD required rehabilitation and environmental standards, the 2018 Housing Trust Funds (HTF) will be used to develop new construction of affordable rental housing.
Draft 2018 HTF	I.1) d. Duration of Affordability Period	7	Lauren Banks Killelea/Low Income Housing Coalition of Alabama	LIHCA recommends that AHFA offer a scaled allocation of points awarded for projects that remain financially feasible for longer than the required 30-year affordability period. Our recommendation is to allocation points for 35-40 years (5 points), 41-45 (7 points) and 46-50 (10 points) years. *Reason: NHTF funds are to serve households that are extremely low income and/or are at risk of homelessness. Households at this income level are priced out of the current market and must be able to find housing that is affordable to them. Keeping these units affordable for more than 30 years would benefit the households served by NHTF funds.*	The HTF Plan currently states that a funding priority (5 points) will be given for projects that demonstrate the ability to remain financially feasible five (5) years beyond the required 30-year period. AHFA believes that keeping the units affordable for more than 30 years would benefit the ELI households served by the HTF, however we realize that it will be challenging for developments to demonstrate that they can remain economically feasible beyond 35 years.

2018 Draft National Housing Trust Fund Allocation Plan
Summary of Public Comments Received and Responses by AHFA

Plan Section	Section Reference	Page #	Commenter Name/ Company	Comments Received	AHFA Response
Draft 2018 HTF	General Comment		Lauren Banks Killelea/Low Income Housing Coalition of Alabama	LIHCA recommends that the NHTF Allocation Plan included language encouraging the integration of NHTF-assisted units with other, higher income targeting units. *Reason: Mixed income developments discourage concentrations of extremely low income households. Additionally, higher income units can provide higher rental payments which can offset the ongoing operational costs of units that are affordable to households considered to be extremely low income.*	The Draft 2018 AHFA National HTF Plan currently contains the following language: *AHFA may allocate any available HTF from funding years 2016 or 2017 to be utilized with 2017 or 2018 AHFA approved Housing Credit or HOME combined with Housing Credit projects that have not placed-in-service. Applications will be accepted for HTF from owners of new construction projects which elected to set-aside 5% of the total proposed units for tenants with disabilities or homeless populations. The units must be actively marketed and rented to ELI households with a least one tenant with a disability or a tenant transitioning from being homeless. These units must actively target ELI tenants for the 30-year duration of the HTF affordability period.* Please keep in mind that the HTF funds and the Maximum per-unit development subsidy limits will apply to those units that are set-aside for ELI populations.