**STATE OF ALABAMA**

**Program Year 2021 One-Year Annual Action Plan**

**for**

## **CDBG, HOME, ESG, HOPWA, and HTF Programs**

**Summary of Citizen Participation Process**

**and**

**Proposed Changes**

**to the**

**PY2020 HOME Action Plan Substantial Amendment,**

**PY2021 Housing Credit Qualified Allocation Plan,**

**PY2021 HOME Action Plan,**

**and**

**PY2021 National Housing Trust Fund Allocation Plan**

In accordance with Section 42 of the Internal Revenue Code and the HOME and National Housing Trust Fund Regulations, notices of the Public Hearing and the 30-day public commenting period for the 2020 HOME Action Plan Substantial Amendment, draft 2021 Housing Credit Qualified Allocation Plan, draft 2021 HOME Action Plan and draft 2021 National Housing Trust Fund Allocation Plan (Plans) were published in the Birmingham, Huntsville, Mobile, and Montgomery newspapers and on the Alabama Housing Finance Authority (AHFA) website. AHFA emailed 1,493 notices of the draft Plan’s availability to interested parties, requesting that they submit oral comments at the Public Hearing or written comments regarding the proposed Plans by 5:00 p.m. CST on August 20, 2020. During the designated commenting period, AHFA received 91 written comments from 28 individuals and organizations for all of the Plans except for the 2020 HOME Action Plan Substantial Amendment and the 2021 National Housing Trust Allocation Plan. The comments are attached and available for review at the following AHFA website link:

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

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

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

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

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

Addenda:

A. Summary of Proposed Changes to the PY2020 HOME Action Plan Substantial

Amendment

B. Summary of Proposed Changes to the PY2021 Housing Credit Qualified

Allocation Plan

C. Summary of Proposed Changes to the PY2021 HOME Action Plan

D. Summary of Proposed Changes to the 2021 National Housing Trust Fund

Allocation Plan

E. Summary of Citizen Participation Process for PY2021 National Housing Trust

Fund Allocation Plan – Second Draft

**ADDENDUM A**

**Summary of Proposed Changes to the**

**PY2020 HOME Action Plan Substantial Amendment**

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| --- | --- | --- | --- |
|  | **Section Page Reference** | **Section Name** | **Description of Change(s)** |
| **HOME Action Plan Amendment**  (Addendum E) | E-2 | Section I.C. Public Comment Process for this Addendum to the PY2020 HOME Action Plan | No comments were submitted during the Public Hearing or the 30-day commenting period. The public commenting period was extended from 5 to 30 days and the Citizen Participation process was further clarified |

**ADDENDUM B**

**Summary of Proposed Changes to the**

**PY2021 Housing Credit Qualified Allocation Plan**

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| --- | --- | --- | --- |
|  | **Section Page Reference\*** | **Section Name** | **Description of Change(s)** |
| **Housing Credit QAP** | 18-19 | C. Application Threshold Requirements  13(vi) Site Location  16) Multifamily Housing Revenue Bonds | For the AHFA Multifamily Housing Revenue Bond (MRB) applications, applicants may now submit, at the same time, an application for MRB and a competitive application provided both are 1) submitted during the Competitive Application Cycle, 2) have the same Responsible Owners, and 3) the sites must be located within 1/4 mile of each other.  The above-referenced applications are exempt from the 2-mile radius requirement. However, the exception does not apply to an application for MRB whose related competitive application is unsuccessful.  An applicant may not submit a competitive application unless their first time AHFA-funded MBR Project is 100% complete, at least 90% occupied and the AHFA-engaged construction consultant has performed the on-site inspection and cleared any findings. |
| **Housing Credit QAP** | 21 | D. 15) Negative Actions | Added a satisfactory completion requirement for a single (first time applicant) before the submission of a new application(s). Any new application approval is contingent upon 100% (construction/rehabilitation) completion based on quarterly status reports submitted, and satisfactory evidence that the prior AHFA-funded Project has reached 90% occupancy. |
| **Addendum A:**  **Point Scoring System** | A9 | V. Project Type | Points were increased from 1 to 2 for rehabilitation (preservation) or replacement of existing or previously existing multifamily rental housing. |
| **Addendum A:**  **Point Scoring System** | A10-A11 | (vi)(b)(3) Negative Neighborhood Services | Separately classified and reduced point deductions for an AHFA prior funded project that is at least 85% occupied at the time of application that is located adjacent to or within .3 miles of incompatible uses. |

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

**ADDENDUM C**

**Summary of Proposed Changes to the**

**PY2021 HOME Action Plan**

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| --- | --- | --- | --- |
|  | **Section Page Reference\*** | **Section Name** | **Description of Change(s)** |
| **HOME Action Plan** | 22 | D. 15) Negative Actions | Added a satisfactory completion requirement for a single (first time applicant) before the submission of a new application(s). Any new application approval is contingent upon, (i) 100% (construction/rehabilitation) completion based on quarterly status reports submitted, and (ii) satisfactory evidence that the prior AHFA-funded Project has reached 90% occupancy. |
| **Addendum A:**  **Point Scoring System** | A-7 | (v,) Project Type | Increased points from 1 to 2 for rehabilitation (preservation) or replacement of existing or previously existing multifamily rental housing. |

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

**ADDENDUM D**

**Summary of Proposed Changes to the**

**PY2021 National Housing Trust Fund Allocation Plan**

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| --- | --- | --- | --- |
|  | **Section Page Reference\*** | **Section Name** | **Description of Change(s)** |
| **National Housing Trust Fund Allocation Plan** | 5 | F. Maximum Allocation of HTF | In addition to allocating HTF to approved projects as a forgivable grant, HTF may now be allocated as a loan with an interest rate of one-half of one percent (1/2%) accrued annually with all principal and accrued interest payments due at the end of the 30th year. |

**ADDENDUM E**

**Summary of Citizen Participation Process**

**for**

**PY2021 National Housing Trust Fund Allocation Plan**

**Second Draft**

The Alabama Housing Finance Authority (AHFA) completed the Citizen Participation process for the Draft PY2021 National Housing Trust Fund Plan (HTF Plan) on August 20, 2020. However, the AHFA received a comment after the commenting period deadline and incorporated that change into a Second Draft PY2021 National Housing Trust Fund Plan. The subsequent change was presented during the public hearing for the State of Alabama’s PY2021 One-Year Annual Action Plans for the CDBG, ESG, HOPWA, HOME, and HTF Programs held on February 18, 2021.

In accordance with the Citizen Participation Process, a notice of public hearing and the 30-day public commenting period for the State of Alabama’s PY2021 One-Year Annual Action Plans for the CDBG, ESG, HOPWA, HOME, and HTF Programs was published in the Birmingham News newspaper and posted on ADECA’s and AHFA’s websites at [www.adeca.alabama.gov](http://www.adeca.alabama.gov) and [www.ahfa.com](http://www.ahfa.com). Emails of the draft Plans’ availability was sent to interested parties, requesting that they submit oral comments at the public hearing and/or written comments regarding the proposed Plans no later than March 22, 2021. The public hearing was held remotely/virtually via a WebEx conference call on February 18, 2021. No comments were received on the Second Draft PY2021 National Housing Trust Fund Allocation Plan.

The 2021 National Housing Trust Fund Allocation Plan is available for review at the following AHFA website link: <https://www.ahfa.com/multifamily/multifamily-programs/housing-trust-fund>.