

CITIZEN PARTICIPATION PROCESS
Summary of Public Comments with AHFA Responses to
2018 National Housing Trust Fund Allocation Plan

As part of the Citizen Participation Process, a notice of the Public Hearing and the 30-day public commenting period for the 2018 National Housing Trust Fund Allocation Plan (HTF) and the State of Alabama's Program Year 2018 One-Year Annual Action Plans for CDBG, ESG, HOME, and HOPWA (including the HTF) Programs was published in the Montgomery Advertiser newspaper, and was posted on the AHFA's website at www.ahfa.com and on ADECA's website at www.adeca.alabama.gov. The Alabama Housing Finance Authority (AHFA) emailed more than 1260 notices of the draft Plans' availability to interested parties, requesting that they present oral comments at the Public Hearing held on April 26, 2018 at 10 a.m., CST, at Alabama Center for Commerce, 7th Floor Auditorium, at 401 Adams Avenue, Montgomery, Alabama 36104, or submit written comments regarding the proposed Plans by May 26, 2018. During the designated commenting period, AHFA received comments from one (1) individual and organization that comprised a total of three (3) comments. AHFA has prepared formal responses to these comments. *Please see the attached Summary of Public Comments and AHFA Responses.* The Plan will be available for review in their entirety at the following AHFA website link:

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

AHFA wishes to thank the individuals and organizations who attended the public hearing and provided comments during the commenting period. As the administrator of the HTF plan, AHFA's goal is to develop written criteria that will provide funds to develop new construction of decent, safe and sanitary rental housing for Extremely Low Income populations (ELI) with an initial preference for ELI homeless or transitioning veterans located primarily in underserved rural areas. In attempting to reach varied needs and population types across the state, our greatest challenge is to develop a fair and balanced allocating methodology with the intent to ensure that all applications will have a fair chance of competing during each cycle for funding.

The following is a summary all comments received, with AHFA responses. AHFA has decided to make minor changes to the 2018 HTF plan, which includes an allowance of any available HTF from funding years 2016 or 2017 to be used with 2017 or 2018 AHFA approved Housing Credit or HOME combined with Housing Credit projects that have not placed in service, and the prospect for AHFA to schedule additional application cycles to award any remaining HTF. A detailed summary of all comments received during the commenting period along with responses by AHFA can be found in their entirety at the following AHFA website link:

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

Attached:

1. Summary of Public Comments Received and Responses by AHFA

**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	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. <i>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.</i>	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. <i>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.</i>	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.

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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. <i>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.</i>	<p>The Draft 2018 AHFA National HTF Plan currently contains the following language:</p> <p><i>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.</i></p> <p>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.</p>