



To: Alan Rakowski, IHCD
Matt Rayburn, IHCD

From: Ronda Shrewsbury-Weybright, IAHC President

CC: IAHC Membership

Date: February 5, 2019

Re: 2020-2021 QAP Draft1 Comments

On behalf of the IAHC Board of Directors and the IAHC Membership, we offer the following comments to the 2020-2021 Qualified Allocation Plan (QAP) First Draft. The comments and suggestions below are supported by at least 75% of the IAHC board members who participated in an online survey prepared by the IAHC QAP committee in consultation with IAHC membership feedback. To assist you in the evaluation of these comments, I have provided the percentage of favorable support next to each comment (meaning a response of 'Yes' unless otherwise noted below).

1. Developer Fee - The current developer fee cap calculation puts Indiana deals at a comparative disadvantage to similarly situated deals across the country. Additionally, an increase in the developer fee cap will help increase tax credit pricing for all Indiana deals. In the first draft we note that IHCD fees are proposed to increase, but developer fees are still capped at previous QAP amounts.

Recommend to increase the developer fee caps by \$10,000 per unit. (Yes – 87%)

2. Infill New Construction – To help reduce costs and redevelopment efforts, vacant undeveloped land remains an untapped resource for many communities to provide affordable housing.

Recommend allowing vacant, undeveloped land (but which still meet the current 3 infill attributes per the current draft QAP) to qualify for 'infill new construction' points. Another way to state, is that we recommend the elimination of the three items that cause a site to NOT qualify as infill housing (existing agriculture, agriculture in the past 5 years or existing structures that will be rehabilitated). (Yes – 87%)

3. Promotes Neighborhood Stabilization – This revised category is too specialized in what type of properties can qualify and represent inherent challenges in redevelopment. Additionally, this category is believed to have been created to address the most recent real estate crisis and based on current conditions, the requirements no longer represents the original need in order to revitalize distressed properties throughout the state. Greyfield properties are still in need of redevelopment and still represent a redevelopment priority in conversation with Indiana municipalities.



We gave the three options for review:

- a) Adding Greyfield option back to the category;**
- b) eliminating this category in its entirety; or**
- c) leave as currently proposed in the first draft?**

Although consensus was not reached on an individual choice, 87% selected either a or b.

- 4. Community Revitalization Plan – The plan requirement no longer is a competitive advantage and all applications receive these points. Additionally, local units of government are required to adopt for full points. Similar to the Local Unit of Government Notification that was removed from the 2018-2019 QAP, giving LUGs the ability to control points allows NIMBY to control development locations.

Recommend the elimination of the Community Revitalization Plan scoring category. (Yes-80%)

- 5. Tax Credit per Unit/Bedroom – Ranking this category across all applications favors preservation deals. Historical data referenced by IHADA was not provided. IAHC membership did not support the category as written in the last QAP, but without a complete overhaul there is concern the category as revised is not an improvement.

Recommend reverting back to 2018-2019 QAP by dividing the developments into previous categories of NC/Rehab/AR (Yes-87%)

- 6. Internet Access – There is too much similarity between the criteria for 3 points vs 2 points. While we believe the operation cost to competitively score in this category presents a great stress to developments, we do feel the revision of the 2-point category would allow some likely rural/smaller deals to remain competitive while providing quality internet access to its tenants.

Recommend revising the 2-point category requirement to be: Applicant commits that each unit will be provided with the necessary infrastructure for the resident to obtain high-speed internet/broadband service at their cost, but the clubhouse will provide free Wi-Fi for residents? (Yes-100%)

Recommend if to be awarded 3 points, provide a line item on the operational expenses to show expected costs supporting the score selection. (Yes-87%)



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7. Opportunity Index – Without a set-aside for elderly in the current draft, a senior deal is at a disadvantage for access to post-secondary education point requirement, as it is not an amenity often of interest to our seniors.

Recommend allowing age-restricted properties to substitute access to a senior center with the same proximity radius and TOD radius adjustment? (Yes-93%)

8. Leveraging Capital Resources – The amount of dollars requested of (especially) rural communities represents too high of an ask even with full support of the affordable housing.

Recommend revising this category to be a percentage of hard costs vs total development costs? (Yes-100%)

9. Reducing the Impact of Eviction – This new category is a surprise and as written compromises the owner/property management standard for managing the safety and welfare of its tenants. There is concern over the impact this will have on properties and more dialogue is needed to understand the sudden inclusion of the category. IAHC is happy to assist IHCD with further discussing this matter and working together for guidance on the plan requirements for application.

Recommend a revision to the category to only commit to submission of an Eviction Prevention Plan per the current language. (Yes-80%)

10. Owners Committed to Serving Qualified Tenants for the Longest Periods – This new category is also a surprise and represents a substantial change in policy from IHCD to be included in a QAP without a public meeting process to discuss and understand. While there may be merits to the spirit of this category, discussing the merits/challenges in a QAP draft writing process is too condensed and needs more opportunity to publicly interface with staff to draft a policy that supports all development efforts. Again, IAHC is happy to assist IHCD with further discussing this matter and working together to ensure past properties are not put at risk due to current competitiveness.

Recommend eliminating this category until such time more public discussion is enabled to occur? (Yes-80%)