



To: Alan Rakowski
Matt Rayburn

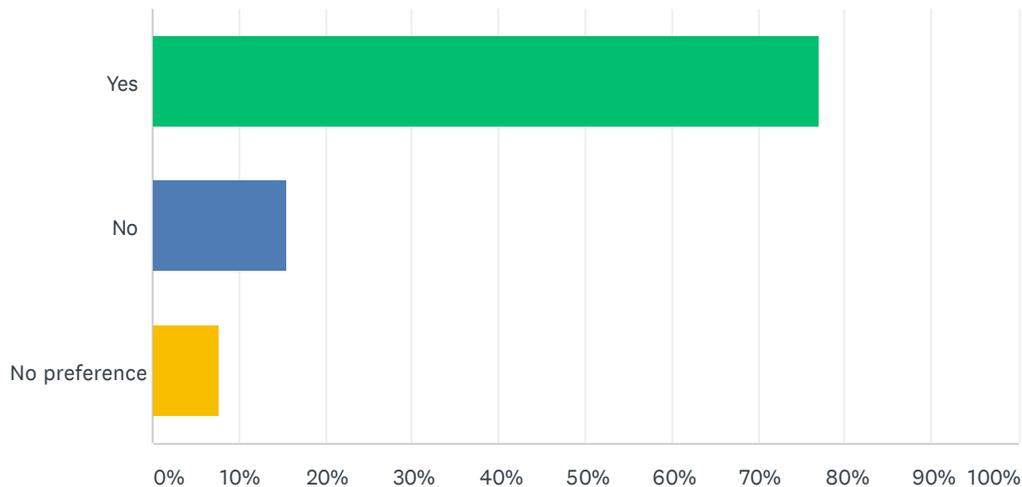
From: Jeff Whiting, President

Date: February 12, 2021

Re: 2022 QAP Draft 1 Comments

On behalf of the IAHC Board of Directors and the IAHC Membership, we offer the following comments to the 2022 Qualified Allocation Plan (QAP) Draft 1. IAHC conducted an online survey prepared by the IAHC Board of Directors. We are also including select comments from membership to further share reasoning for answers. In light of the pandemic and all related circumstances regarding our partners work, we thought it would be helpful to share partner comments with IHCD for consideration.

1. After review of Draft 1, do you still support a one-year rate?



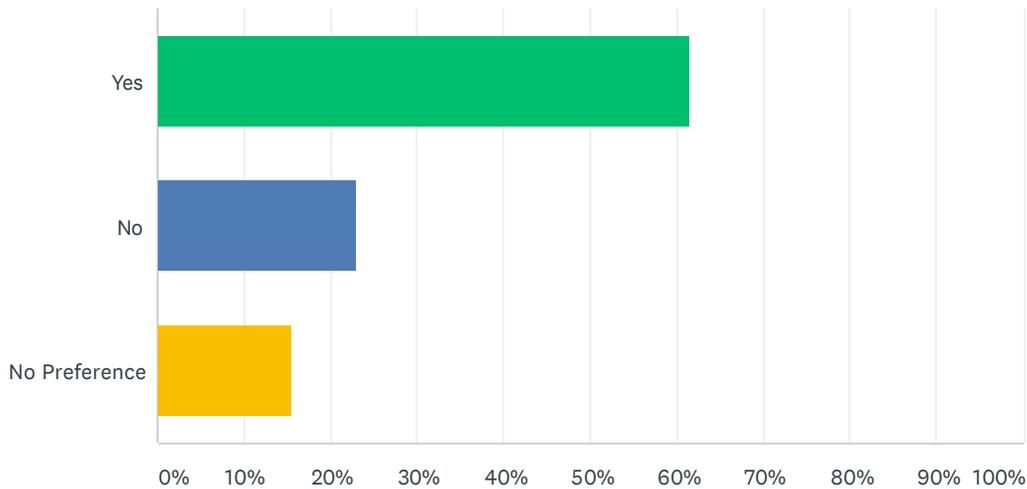
ANSWER CHOICES	RESPONSES
Yes	76.92%
No	15.38%
No preference	7.69%

2. Please explain why you answered #1 the way you did.

#	RESPONSES	DATE
1	Can live with it as written for a year - feel like IHCDCA really needs to rethink its overabundance of scoring criteria and submission requirements, and a 2 year would give them even longer to put this off.	2/12/2021 3:03 PM
2	We need to rework the QAP and this is not a good year to do this.	2/12/2021 2:41 PM
3	Because the QAP needs a major overhaul and by doing a one year now it will give time to make changes	2/12/2021 2:34 PM
4	Because this is what IHCDCA wants and I do not see them changing their mind.	2/12/2021 2:27 PM
5	COVID, new administration	2/12/2021 2:22 PM
6	These are strange days. A one-year QAP is perfect.	2/12/2021 2:12 PM
7	COVID impact and lack of timing for a full QAP overhaul - which should be planned for next QAP	2/12/2021 2:09 PM
8	I think one year is appropriate based on the new administration and the amount of work related to administering rental assistance funds.	2/12/2021 1:59 PM
9	I believe the QAP needs a comprehensive overhaul that cannot be completed in 2 months	2/12/2021 1:55 PM
10	Given the number of changes, with non-of them being specific to COVID-19, then this should be a 2-year QAP.	2/12/2021 1:52 PM
11	Gives IHCDCA and developers more flexibility post-COVID	2/12/2021 1:42 PM
12	do you mean "QAP" where it says "rate"? I understand IHCDCA's position and support them.	2/12/2021 1:38 PM
13	They will likely save us all some time (especially IHCDCA) if they keep a 2-year QAP. If something needs to be changed after the first year it can get updated at that time. But likely nothing will need to be changed.	2/12/2021 1:34 PM

3. In general, and based on last survey results, it would seem membership supports the proposed changes in the Set-Asides. With the percentage increases in some of the remaining set-asides, we revise course and question if the General Set-Aside criteria still supports a greater impact of getting developments funded, with thought given to the difficulty in scoring high enough to be competitive in the remaining set-asides for a senior development.

Do you support changing the 'General' Set Aside to 'Senior' Set-Aside?

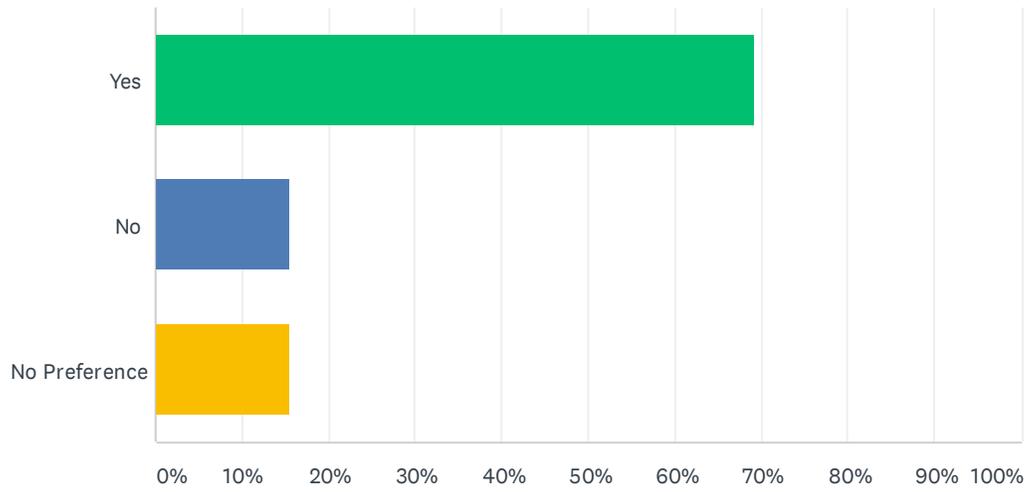


ANSWER CHOICES	RESPONSES
Yes	61.54%
No	23.08%
No Preference	15.38%

4. Please explain why you answered #3 the way you did.

#	RESPONSES	DATE
1	There is no need for a senior set aside - they are as competitive as family deals.	2/12/2021 3:03 PM
2	Senior projects are attractive to developers and will get funded anyway. I think family housing is more needed.	2/12/2021 2:41 PM
3	No current set-aside for seniors, small bedrooms, unit count so CPU/CPBR do not compete well	2/12/2021 2:22 PM
4	Indiana needs more Senior Housing.	2/12/2021 2:13 PM
5	Senior population/needs growing & the need for additional competitive support	2/12/2021 2:09 PM
6	The Housing First needs are greater than additional Senior Housing.	2/12/2021 2:03 PM
7	Senior deals in general don't score high in the QAP, especially give the cost per unit and cost per bedroom scoring. This would ensure that some senior deals were awarded credits each year.	2/12/2021 1:52 PM
8	I agree a Senior Set Aside is beneficial to the state of Indiana.	2/12/2021 1:38 PM
9	Senior deals are at a competitive disadvantage to family deals and need their own set-aside.	2/12/2021 1:34 PM

5. Do you support some assistance from IHADA in the QAP to track underwriting requirements?



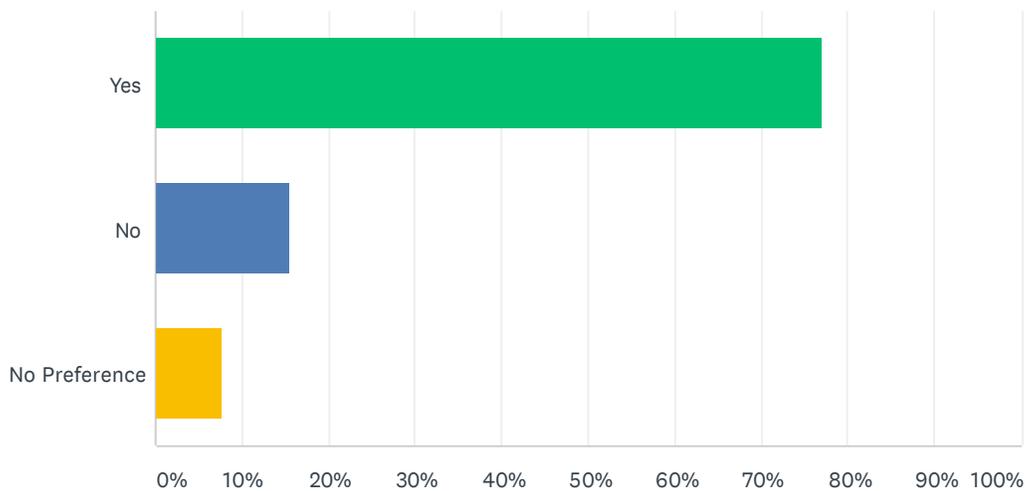
ANSWER CHOICES	RESPONSES
Yes	69.23%
No	15.38%
No Preference	15.38%

6. Please explain why you answered #5 the way you did.

#	RESPONSES	DATE
1	The application process should not be a 'gotcha' mechanism for small errors.	2/12/2021 3:03 PM
2	Preparing an application is a laborious process. There may be a few quirks in how the IHCD staff calculate certain items like soft cost contingency. This chart will eliminate excess technical corrections. I have been informed that the IHCD staff have this chart available to them at the current time anyway so why not share it with us.	2/12/2021 2:42 PM
3	Not sure this will help much need to see the results of the current round to really know.	2/12/2021 2:28 PM
4	Theses TC's tend to have no bearing on the overall merits of the deal.	2/12/2021 2:24 PM
5	Needed	2/12/2021 2:13 PM
6	A simple check process on the basics would save developer and IHCD time & hassle	2/12/2021 2:09 PM
7	It's ridiculous to have errors that aren't highlighted or formulas you can't see or a spreadsheet you can't edit without some assistance in tracking the errors. KY and MI have a form that works that way, it is a prime time for IHCD to implement a similar form.	2/12/2021 2:03 PM
8	Applicants have the opportunity to provide a summary of the underwriting as part of the application submission. Applicants on their own can do the summary showing calculations and then include with their application. When you get into something like DCR and the different/creative financing there will be red flags. For example, if you can get an interest only loan for 3 years, that will have DCR not meeting IHCD requirements in year 2. That applicant shouldn't have a giant red flag saying their application doesn't meet requirements and can't be submitted. The way it is now where applicants can show calculations and provide explanation works.	2/12/2021 1:53 PM
9	It goes both ways. Developers familiar with Indiana will do better with this, but some TCs are excessive.	2/12/2021 1:39 PM
10	Not that hard to grab a calculator	2/12/2021 1:35 PM

7. Draft 1 did not make a change to developer fees. The current 9% deal 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. Membership in the past has shown great support (87%) for increasing developer fees.

Do you support increasing the unit count caps by 10 units for each fee level (e.g increasing the highest fee attributable to the first 20 units to the first 30 units and so forth for each subsequent fee category) as a way to increase developer fee?

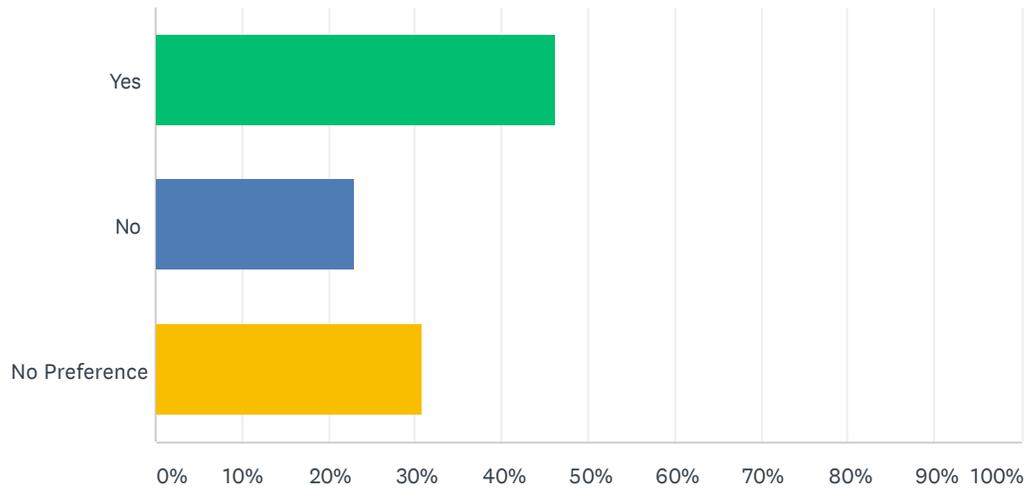


ANSWER CHOICES	RESPONSES
Yes	76.92%
No	15.38%
No Preference	7.69%

8. Please explain why you answered #7 the way you did.

#	RESPONSES	DATE
1	Always in favor of more fees!	2/12/2021 3:03 PM
2	Smaller projects are at a disadvantage because of economies of scale and the credit per unit points so we need to give them a break.	2/12/2021 2:42 PM
3	Makes it too easy for just anyone to get by without a TC.	2/12/2021 2:28 PM
4	Construction Costs are escalating helps with flexibility to defer more credit if needed.	2/12/2021 2:24 PM
5	For Indiana developers who are in multiple states, the feedback of lower developer fees in Indiana is very telling. We should remain competitive/attractive nationally.	2/12/2021 2:09 PM
6	No Preference	2/12/2021 2:03 PM
7	Developer Fees need to increase to support smaller, typically rural, projects.	2/12/2021 1:56 PM
8	Indiana is behind other states with respect to developer fee for 9% deals.	2/12/2021 1:53 PM
9	agree with the reasoning in the question	2/12/2021 1:39 PM

9. Do you support the elimination or overhaul of the Leveraging Capital Resources category?

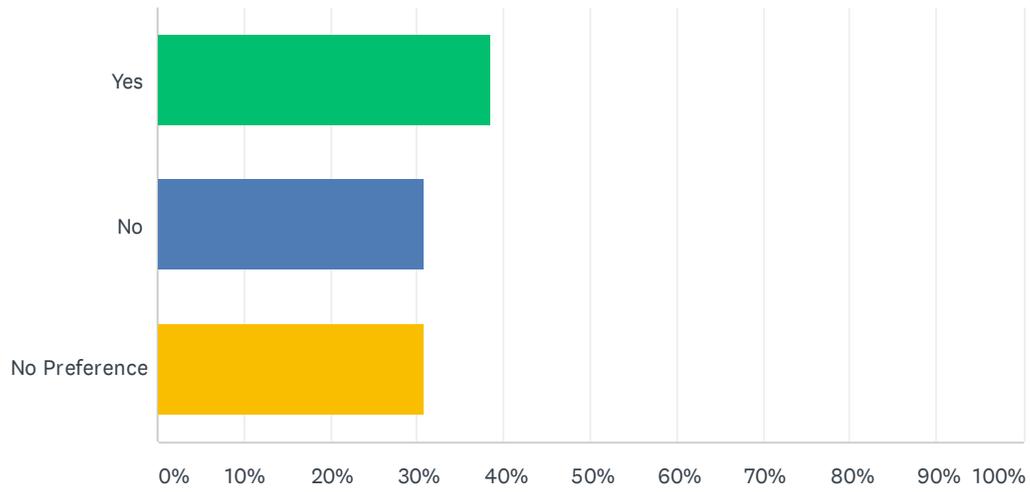


ANSWER CHOICES	RESPONSES
Yes	46.15%
No	23.08%
No Preference	30.77%

10. Please explain why you answered #9 the way you did.

#	RESPONSES	DATE
1	Not in the current QAP. I don't like this category but changes need to be made in the context of a broader overhaul of the scoring system. Without it there is little to differentiate deals, so it will be a race to the bottom in the credits/bedroom credits/unit categories and gives way too much importance to the subjective "unique features" category.	2/12/2021 3:05 PM
2	The rural projects are competing against other rural projects. The leveraging points help to raise up projects that have a lot of local support.	2/12/2021 2:44 PM
3	Not sure I have seen a disadvantage in past deals in this category.	2/12/2021 2:34 PM
4	COVID, municipalities are struggling financially, perhaps reduce point impact	2/12/2021 2:26 PM
5	We see COVID impact on local government budgets. We can't be required to get funds for housing projects when basic governmental services are not being fully funded.	2/12/2021 2:12 PM
6	This points are important to small communities and other deals to help level the playing field.	2/12/2021 2:08 PM
7	COVID-19 has decimated local budgets making a difficult task in rural communities impossible.	2/12/2021 1:58 PM
8	this category significantly favors urban deals.	2/12/2021 1:41 PM

11. Do you support the elimination of the Non-IHCDA Rental Assistance category?



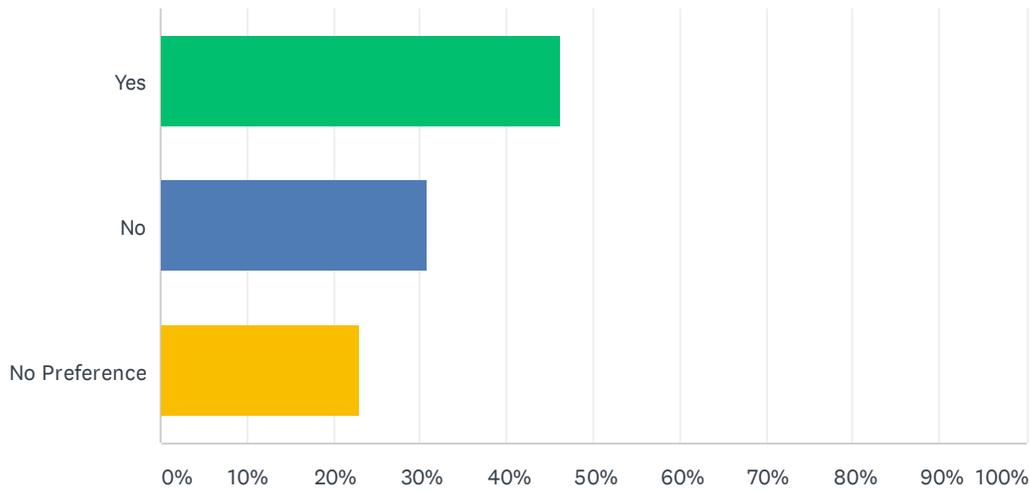
ANSWER CHOICES	RESPONSES
Yes	38.46%
No	30.77%
No Preference	30.77%

12. Please explain why you answered #11 the way you did.

#	RESPONSES	DATE
1	This would seem to be a valuable contribution to deals and should be rewarded.	2/12/2021 3:05 PM
2	Rental assistance is important in helping tenants afford to live in the housing.	2/12/2021 2:44 PM
3	Not an area of the QAP we work in.	2/12/2021 2:34 PM
4	Triggers Davis Bacon, PHAs are competitors, unfair advantage	2/12/2021 2:26 PM
5	Having additional rental assistance is favorable for properties funded by IHCDA.	2/12/2021 2:15 PM
6	We don't compete for these points.	2/12/2021 2:12 PM
7	Removing this category will make it difficult for preservation or resyndication deals to get funded.	2/12/2021 2:08 PM
8	This scoring category is really only feasible in communities with a local PHA	2/12/2021 1:58 PM
9	Federal rental assistance is going to be around for a while. This is not worth points.	2/12/2021 1:54 PM
10	Some municipalities do have vouchers to spare, some municipalities may have their vouchers monopolized by a housing authority that may also be a competitor in the 9% round	2/12/2021 1:41 PM

13. There is concern with the Housing Need Index criteria and the new addition to the category. We don't think IHCD will entertain removing the category but do feel it should be revised.

Do you support reducing the maximum points available to the category to 1 point (1/4 point per item achieved)?

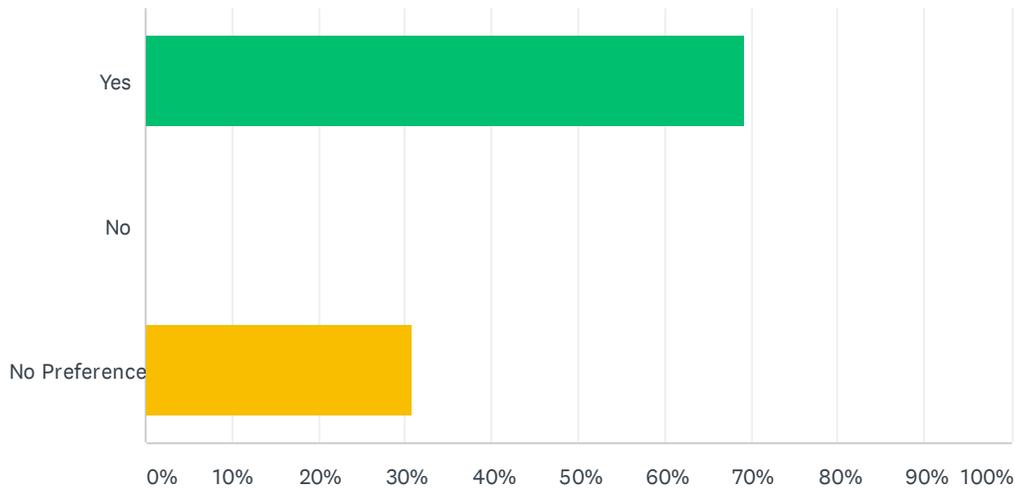


ANSWER CHOICES	RESPONSES
Yes	46.15%
No	30.77%
No Preference	23.08%

14. Please explain why you answered #13 the way you did?

#	RESPONSES	DATE
1	Need some way to differentiate deals.	2/12/2021 3:05 PM
2	Housing need in a community matters.	2/12/2021 2:44 PM
3	This category favors specific counties and eliminates some that have great need.	2/12/2021 2:34 PM
4	Very specific target of locations in order to achieve the points.	2/12/2021 2:12 PM
5	The Housing Need Index shows real needs in a community. I don't think the point value should be reduced.	2/12/2021 2:08 PM
6	This makes projects feasible in a limited number of counties which excludes 3/4 of the state	2/12/2021 1:58 PM
7	All these recommended changes will make the scoring "flatter" still, increasing pressure on the few categories that vary by project (credits per, unique features). reducing the importance of this category gives a further advantage to a project or developer that can secure vouchers or leveraging points.	2/12/2021 1:41 PM

15. IHCD has removed Column 1 options from the Tenant Investment Plan. IAHC supports services being integral to affordable housing, but as market-rate multifamily developments do not need to provide such services, there should be a reward to provide such services to the residents no matter how impactful such service may be deemed to be. Do you support keeping Column 1 options?

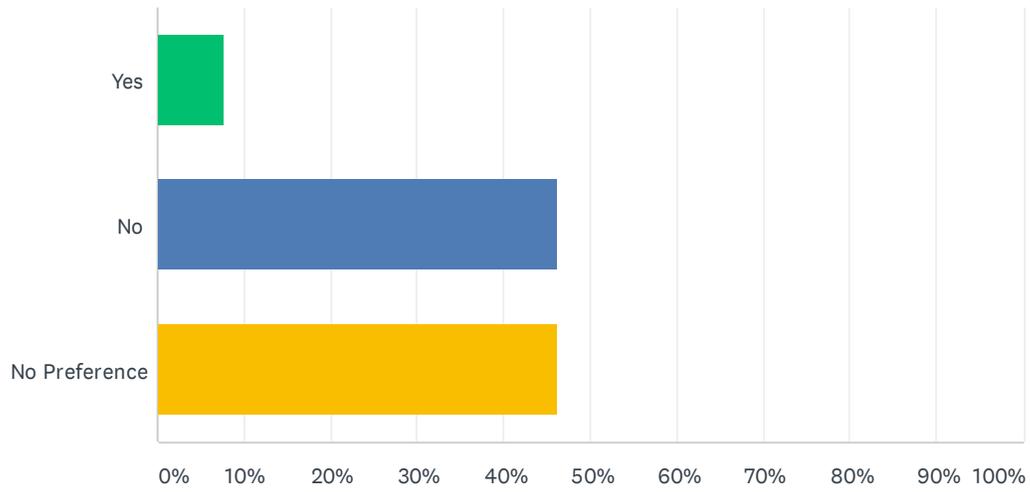


ANSWER CHOICES	RESPONSES
Yes	69.23%
No	0.00%
No Preference	30.77%

16. Please explain why you answered #15 the way you did.

#	RESPONSES	DATE
1	Every service is helpful even if it is small.	2/12/2021 2:44 PM
2	I so not see this being a big deal.	2/12/2021 2:34 PM
3	We see a use of these services with our tenants	2/12/2021 2:12 PM
4	In a 4% deal, to ensure some services are offered, the Column 1 category is very important.	2/12/2021 2:08 PM
5	These are important services that are not provided by traditional market rate communities.	2/12/2021 1:54 PM
6	agreed	2/12/2021 1:41 PM

17. Do you support removing Column 1 options but reducing the maximum number of points per column?

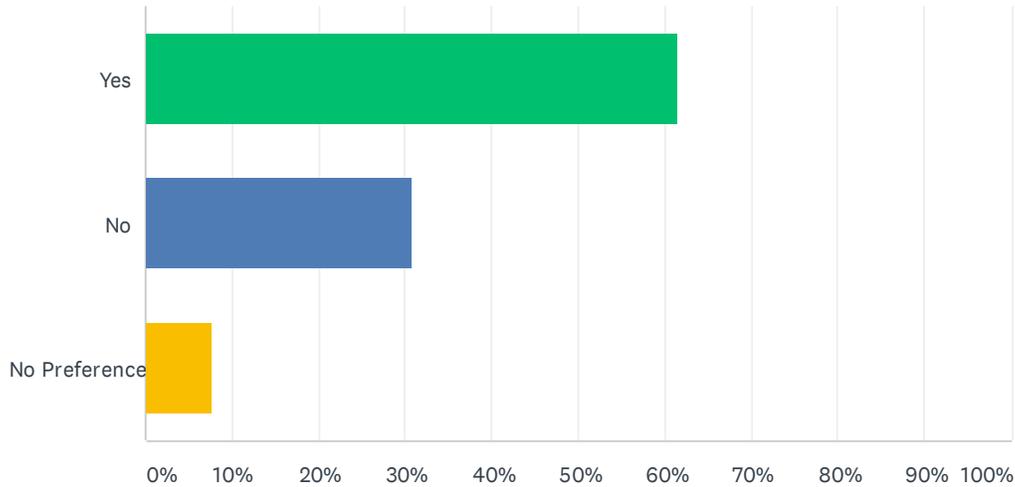


ANSWER CHOICES	RESPONSES
Yes	7.69%
No	46.15%
No Preference	46.15%

18. Please explain why you answered #17 the way you did.

#	RESPONSES	DATE
1	Again not a big deal, need to pick and choose our battles.	2/12/2021 2:34 PM
2	Keep the service offerings as wide as possible to allow tailoring to the specific location/provider	2/12/2021 2:12 PM
3	I prefer to keep the services category the way it is, it rewards projects with significant services and allows for other projects to provide and get points for some services.	2/12/2021 2:08 PM

19. Older LIHTC properties that were developed prior to the 30% credit boost and when credit pricing was significantly lower than current pricing, face financial strains that may need to be addressed by a Qualified Contract. Given the impact that negative points assessed to owners that request a Qualified Contract (QC) on older properties, do you support eliminating this penalty?

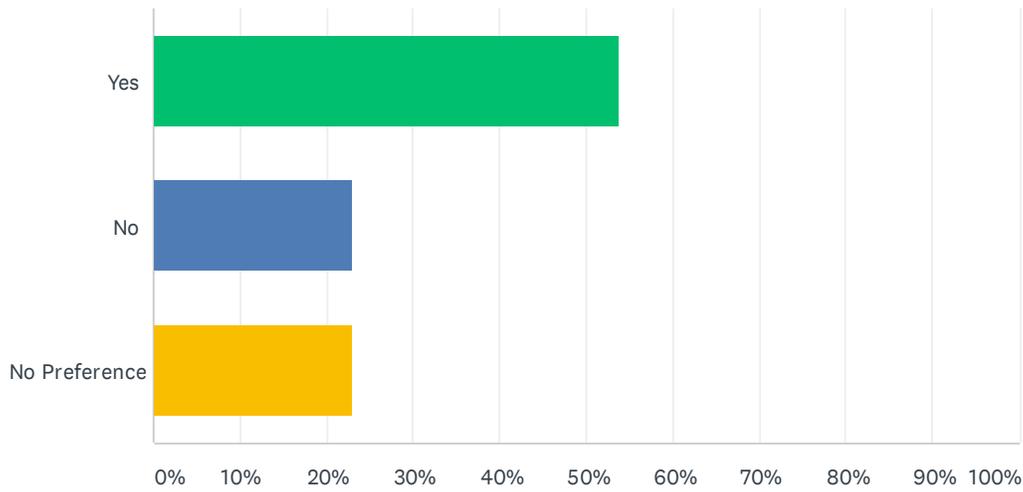


ANSWER CHOICES	RESPONSES
Yes	61.54%
No	30.77%
No Preference	7.69%

20. Please explain why you answered #19 the way you did.

#	RESPONSES	DATE
1	No reason to penalize owners for making an informed decision that is best for their property.	2/12/2021 3:05 PM
2	We need to preserve affordable housing. Some owners take the qualified contract option for profit motivated reasons.	2/12/2021 2:44 PM
3	I have at least 2 properties that would benefit greatly from a QC and would not alter rents much over the 60%AMI levels, something different needs to be done here that still incentivizes developers to maybe meet some level of affordability but not be penalized.	2/12/2021 2:34 PM
4	Allow for the rare exception a "hardship" rule	2/12/2021 2:26 PM
5	Reasonable	2/12/2021 2:15 PM
6	Don't understand the reasoning for this at all. When this was brought up for discussion on last QAP and eventually dropped, it was hoped there would be more discussion/review/feedback from IHCDCA on the reasoning for inclusion. I don't believe this ever happened.	2/12/2021 2:12 PM
7	I think it's important to preserve affordable properties and this is a good way to do that.	2/12/2021 2:08 PM
8	This is like changing the rules in the middle of the game.	2/12/2021 1:58 PM
9	IHCDA is not considering the time period in which old deals were funded and the associated financial details of these deals. They were set-up to request a QC.	2/12/2021 1:54 PM
10	You knew this was a 30 year program going in.	2/12/2021 1:37 PM

21. If IHCDA is unwilling to eliminate the QC penalty, would you support any or all of the following alternatives to this penalty criterion? 1) Allow principals to request one QC after January 25, 2021 without a scoring penalty. 2) Assess a one-point penalty for a second QC request. 3) Assess a two-point penalty for more than two QC requests.

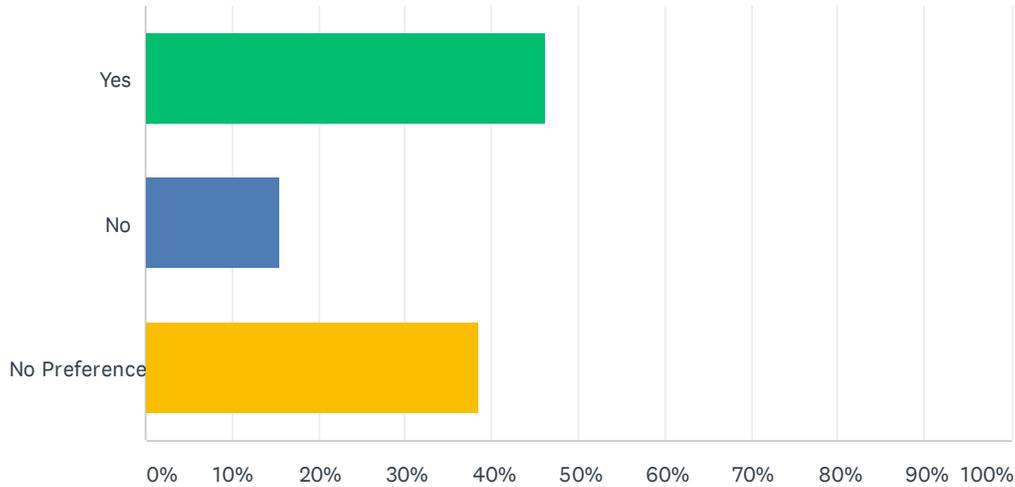


ANSWER CHOICES	RESPONSES
Yes	53.85%
No	23.08%
No Preference	23.08%

22. Please explain why you answered #21 the way you did.

#	RESPONSES	DATE
1	Seems reasonable.	2/12/2021 2:34 PM
2	These are different times for LIHTC and if a property is struggling and QC would help keep the housing and allow improvements, but at higher rents, let the market determine ultimate feasibility.	2/12/2021 2:12 PM
3	Not in support of the change.	2/12/2021 2:08 PM
4	Owners need to have options to keep older properties from going into bankruptcy.	2/12/2021 1:58 PM

23. If the QC scoring penalty is retained, would you support adding a clarification that the scoring penalty would impact only the next RHTC application submitted, rather than penalize all future applications in perpetuity?

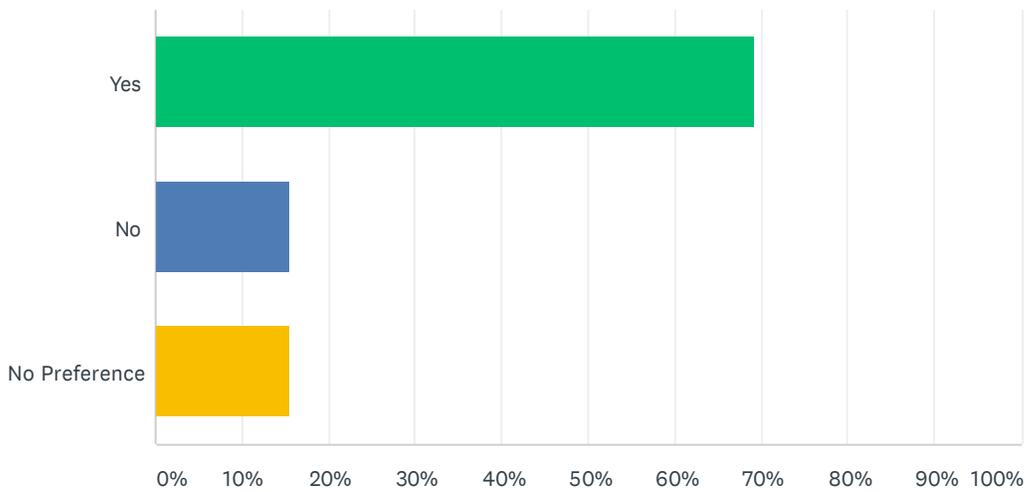


ANSWER CHOICES	RESPONSES
Yes	46.15%
No	15.38%
No Preference	38.46%

24. Please explain why you answered #23 the way you did.

#	RESPONSES	DATE
1	I support the penalty.	2/12/2021 2:44 PM
2	Seems possible.	2/12/2021 2:34 PM
3	A little torn on this. Does this mean there will be a mad rush to avoid future penalty. When a property is ready, it is ready. Shouldn't be penalized into timing.	2/12/2021 2:12 PM
4	Not in support of the change.	2/12/2021 2:08 PM
5	If this is a forever penalty it could drive developers out of the market.	2/12/2021 1:58 PM
6	But maybe some length of time between just 1 round and forever. Just one round means you take 8 deals through QC in a year, get the penalty then you move on. A developer who does 1 QC per year gets penalized for 8 years. Same outcome for affordable housing but one developer doesn't really get penalized.	2/12/2021 1:37 PM

25. Would you support requesting IHCD to allow RHTC owners that do not request a QC to amend the initial rent and income restrictions for the 15-Year Extended Use Period? While not changing a development’s minimum 20/50 or 40/60 set-aside, IHCD could still provide some flexibility to help strengthen its financial position and help avoid the situation where a QC is critically needed. For example, older developments subject to both rent and income restrictions at all AMI levels might benefit from a modification to rent restrictions only, or a property with 40% restrictions might need to request a change boost some of those units to 50%.

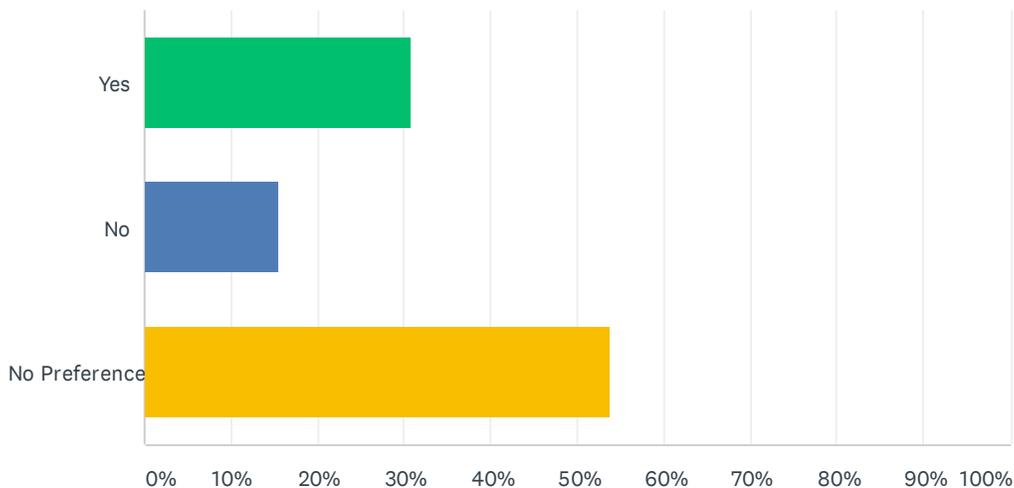


ANSWER CHOICES	RESPONSES
Yes	69.23%
No	15.38%
No Preference	15.38%

26. Please explain why you answered #25 the way you did.

#	RESPONSES	DATE
1	I would support changing the income restrictions but not the rent restrictions.	2/12/2021 2:44 PM
2	Seems like a good possible solution.	2/12/2021 2:34 PM
3	flexibility in financing	2/12/2021 2:26 PM
4	Don't have intimate experience with this, but if there is majority agreement this could greatly help developers and projects, then we fully support this request of IHCDA.	2/12/2021 2:12 PM
5	No sure about this.	2/12/2021 2:08 PM
6	If we are serious about affordability then we need a year 15 strategy that supports long term affordability rather than penalties.	2/12/2021 1:58 PM

27. Based on the Indiana County Classification System would you support changing the following set asides: 1) Large City will become Urban
 2) Small City will become Mixed Rural 3) Rural will become Rural



ANSWER CHOICES	RESPONSES
Yes	30.77%
No	15.38%
No Preference	53.85%

28. Please explain why you answered #27 the way you did.

#	RESPONSES	DATE
1	It is good to revisit how locations are classified, but need more time to figure out best method. Not ready to commit to this metric.	2/12/2021 3:05 PM
2	I like the current categories. Except the Urban category is oversubscribed.	2/12/2021 2:44 PM
3	Need more explanation of this, not sure I fully understand the benefit.	2/12/2021 2:34 PM
4	Speedway and Beech Grove are not rural	2/12/2021 2:26 PM
5	This allows truly Rural properties to compete against other Rural properties. Example Speedway, IN is in the 465 belt. It's not really a rural community.	2/12/2021 2:15 PM
6	Don't have high hopes this change could make it into this QAP, but strongly support the data for IHCDA to review for possible incorporation/review for next QAP. Very interesting points made and would better slot those 'tweener' locations into more appropriate competition.	2/12/2021 2:12 PM
7	It does not matter to us.	2/12/2021 2:08 PM
8	I'd want to see the populations by set-aside to know if these set-asides would have similar populations or if the 10% each should be updated accordingly.	2/12/2021 1:37 PM

29. Any other general or specific additional comments you'd like to share with IAHC about QAP Draft 1?

#	RESPONSES	DATE
1	Tighten up the MBE documentation. This is an area that is subject to abuse.	2/12/2021 2:44 PM
2	No	2/12/2021 2:34 PM
3	Still would like to see agricultural land development restrictions removed - especially for a one year QAP which would allow IHCD/partners to fully evaluate the QAP overhaul	2/12/2021 2:12 PM
4	No other comments.	2/12/2021 2:08 PM
5	Scoring - N. Internet Access - documentation should only be required when committing to providing EACH UNIT with broadband or Wi-Fi. Scoring G. Community Participation - this scoring category should remain. Schedule I - having a property listed on IHCD website for 1-year is too long. Please leave policy as-is.	2/12/2021 1:54 PM