



March 10, 2021

Dear Alan,

The following members of the Indiana Affordable Housing Council (IAHC) want to express our strong opposition to the proposed changes to the IHCDCA Qualified Contract (QC) process. We recognize IHCDCA's desire to preserve the affordable housing stock in Indiana. We support this mission but have grave concerns about the proposed methods to achieve this goal and the timing of including these changes in an interim Qualified Allocation Plan (QAP).

Qualified Contracts provide a mechanism to re-structure struggling properties and remove deep rent targeting that prevents a property from being able to fulfill its financial obligations as well as address capital needs that become necessary after 15-years of use. In many cases, rural communities have a significant need for additional housing units to serve households above 60% AMI, which is currently unserved by older LIHTC properties.

IHCDCA's use of negative points does not promote the teamwork environment between IHCDCA and developers who are both critical to addressing the affordable housing needs in Indiana and make future 9% (and possibly 4%) applications infeasible if a developer/owner should need to utilize a QC. New developers or experienced developers that do not have a history in Indiana will have an advantage over those that have long served the affordable housing needs of Hoosiers.

IHCDCA has proposed a negative point policy without providing viable options to address the needs of expiring use properties. Re-syndication using the 9% credit, while allowed by the QAP, has not been workable because these developments, in almost all cases, do not score competitively, and re-syndication using the 4% credit is not feasible due to average property size in Indiana. Furthermore, re-syndication is hampered by IHCDCA's policy requiring the retention of the existing Extended Use Agreement, which limits the rent and income targeting to the deeper affordability of older QAPs.

We ask that IHCDCA delay implementation of these policies for one-year and engage a working group of developers to jointly craft policies that protect the viability of these properties while advancing IHCDCA's goal of preserving long term affordability, especially the preservation of some level of lower rent units.

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