



## **LAAHP's Comments on the 2013 Draft Qualified Allocation Plan**

### **General Comments**

- Definitions of different project types need to be consistent throughout the QAP and in subsequent FAQ's. Vague and inconsistent definitions create potential loop holes and creates ambiguity in the QAP.
- Develop a consistent annual schedule of allocation of LIHTC and other agency funding programs. Most other states have standard application dates that provide predictability for the development community and allow people to plan ahead when putting projects together.
- Delete items that call for subjective criteria, i.e. points for Superior Design,
- Prohibit making modifications to the QAP after the public input process to allow projects that favor just one development, i.e. Transformational Projects;
- Distribute Frequently Asked Questions prior to the release of final QAP
- Provide a clearer definition of the allocation pools and process for collapsing pools
- Develop a standard QAP and annually modify the scoring criteria from year to year to reflect current priorities and needs.

### **I – F. HOME , CDBG and 30% Basis Bump Up (Page 5)**

- Applicants should be allowed to apply for both HOME and CDBG funds rather than selecting only one of these funding sources.
  - The draft QAP is confusing in regards to selecting HOME vs. CDBG funds as project subsidy. If a developer selects CDBG funds in the application but it is over-subscribed, the developer has lost the opportunity to apply for the \$3MM of HOME funds.
  - The draft QAP does not establish a project limit on CDBG funds requested.
  - HOME funds set aside in the 2013 LIHTC allocation round total \$4M. However, HOME funds available in the separate HOME allocation round which excludes LIHTC projects has \$16M.
- 30% Basis Bump UP should not be limited to projects in a DDA or QCT but available to projects in any part of Louisiana.

## **II. A - Allocation Process: Electronic Application (Page 7)**

LAAHP previously submitted detailed comments on the electronic application following last year's allocation round. Please confirm which of these recommendations have been incorporated into this year's electronic application. (Copy of LAAHP's feedback is included at the end of these comments on page 5.)

## **II B. - Allocation Process: Timeline (Page 9)**

- LAAHP recommends that the timeline be adjusted to move the application deadline to July 31, 2012, which will allow for award of the credits at the November board meeting. The May 25th deadline for applications proposed in the QAP is aggressive and does not allow adequate time for the development community to prepare projects for submission nor does it allow the time necessary to generate and demonstrate adequate local support.
- LAAHP recommends that there be no addition to the QAP without providing the opportunity for public comment.

## **II G Allocation Process: Other Program Requirements: Local Community Notification (Page 19)**

- LAAHP recommends that the date for Local Community Notification match the application deadline and to be reduced to no more than 2 publications

## **II Q: Allocation Process: Market Study and Appraisals (Page 27)**

- The market study process should be placed back with the developer to obtain from an agency approved list prior to filing an application. The agency should reserve the right to request additional information on market areas they feel may not be suitable for additional housing.
- Should the LHC choose to continue administration of the market studies, then they should require market analyst be Louisiana based or have a strong presence in Louisiana. The LHC should discourage use of market analyst from outside the state that does not have a local presence and local, neighborhood-specific knowledge.

## **IV. Glossary**

### **Developer Fee Base (Page 41)**

- Acquisition costs should be included in the Developer Fee Base.
- Historically 5% or 10% developer fee has been allowed on acquisitions cost. This seems to be the norm in other area states that are encouraging rehab rather than new construction. Allowing developer fee on acquisition cost provides developers with the incentive to explore the rehabilitation of existing or blighted structures rather than opting for new construction.

## **Selection Criteria**

### **I Targeted Project Type Maximum of One (Page 2)**

Allow selection of more than one type in this section

### **II Targeted Population Type Maximum of One (Page 2)**

Allow selection of more than one type in this section

### **II B Targeted Population Type: Special Needs Household (Page 4)**

Allow Elderly Households under Special Needs Households

### **II C Targeted Population Type: Lease to Own (Page 4)**

Delete "(Section 8)" This does not relate to the section on lease to own

### **III B Priority Development areas: Increased Unit Affordability (Page 4)**

Add the word "at or" so that it reads "**at or** below 30%"

### **III E. Priority Development Areas: Other Governmental Priority (Page 5)**

LAAHP recommends that the LHC includes Louisiana's state designated Enterprise Zones in the list of governmental priorities areas. Enterprise Community or Renewal Community is a federal designation and is an outdated metric in many census tracts.

## **IV. A Location Characteristics: Neighborhood Features (Page 6)**

- The current list of neighborhood features leaves much to interpretation to the market analyst conducting the market study. This leads to little or no consistency in the review of this section with different market analyst. Each service, both positive and negative, should be defined so that market analyst has detailed criteria to follow when assessing points for or against a project
- Neighborhood Features radius should be widened for rural developments. Further, the major metropolitan areas will have public transit. The rest of the state cannot afford public transit and many people rely on a shuttle system. Accordingly, the exclusion of shuttle services should be removed.
- The requirement for a live teller should be removed. Most people bank via electronic means and ATM.

## **IV. E Location Characteristics: Superior Design (Page 7)**

- LAAHP recommends deletion of Superior site points as it is a subjective review and drives up the construction cost per unit. The minimum building requirements of the QAP and other points given in the selection criteria ensures that a project will be superior if awarded. Until there is a way to implement this process without a subjective review it will remain an unfair process.
- The process has created a difficult to manage, disparate and subjective ratings systems -- LEED, Green Communities, Smart Growth, Design Advisor, etc -- which are overlapping and repetitive. The LHC did not distinguish between superior design and superior energy efficiency. While the

energy efficiency standards can be justified by a quantifiable system, good design and "innovation" mean many different things to different people and require clear standards. Page 16 of the QAP defines siding, roofing and windows, but the Superior Design categories did not further define any standards. Having energy efficiency as a part of superior design and also a category of its own in the QAP provides double points for the same thing.

#### **IV. F Location Characteristics: On Site Security (Page 7)**

- This requirement drives up the operating cost per unit and there is no way to assure that this service will stay in place for 15 years.
- On-site security is defined (Page 51) as a professional security guard providing 24-hour security. This definition penalizes scattered site developments, which do not operate the same as multifamily projects and doesn't allow for other security measures that may be just as effective i.e. cameras, additional policy patrol, etc.
- LIHTC housing isn't by definition less-secure than other housing. Not all developments may need 24 hour security in order to provide a safe living environment.

### **Feedback on 2011 Electronic Application**

1. We prefer the old method although the IT aspect of this seemed to be well executed.
  - a. We felt it necessary to complete and organize the app the old way prior to the upload process.
  - b. The system bogged down on Friday likely due to traffic volume on their system.
  - c. It is not a bad process and we will have suggestions later to improve the process.
2. Some comments:
  - a. Have the ability to delete files uploaded in error;
  - b. Have an upload button adjacent to browse button;
  - c. Have the ability to return to where you were after uploading documents;
  - d. Have the ability to upload Word, PDF and/or Excel documents for all tabs;
  - e. Have the ability to wrap text thereby maintaining the application format; and,
  - f. Remove the Delete option or provide ability to not lose everything if accidentally deleted.
3. I really liked having the electronic application over the paper application. I am used to having electronic closings, so it was not foreign to me. I thought it was well organized, and thorough. A couple of documents were difficult to download due to the size, otherwise downloading was very quick. I hope they continue to use it.
4. The system was actually far better than we feared. A few comments:
  - a. Certain categories required multiple documents to be uploaded, or one document broken into pieces in order to remain under the file size max, but only allowed for one upload. We addressed this by using the additional upload spots at the end of the application, but a better solution would be to accommodate multiple uploads for a given category.
  - b. The 10 mb file size max presented some challenges for the Superior Design category and others requiring higher resolution scans.
  - c. The Notes section was helpful, but the text was not always retained from one session to another.