

## **Pools**

Recommend collapsing CHODO Pool into the general pool. If there was a PH pool it should be collapsed into general pool

## **Developer CAP**

How will developer cap impact consultants and developers that are working with multiple PHAs? If the developer is sharing with the PHAs can they exceed the developer cap? PHAs need to developers to assist with providing guarantees. Only the larger PHAs have substantial funds. This would impact small to medium size PHAs.

Recommendation: The developer cap should still be limited to \$1,000,000 except when a developer is partnering with a PHA or CHODO that is the sponsor to provide experience, guarantees, and technical support and where the developer is sharing at least 40% of the developer fees.

## **30% Basis and QCT and state appointed DDA**

Many PHAs have projects that are not located in a QCT but they need the boost in funding for 9% or 4%. Most of these PHA units were built prior to 1987. The older RD and other developments could benefit from this and the state have more redevelopment

Recommendation: Have a state QCT/DDA that addresses older housing. The QCT/DDA would be given to those developments that were built or placed in service in 1987 or older. An extra 2 points would be given to projects in this QCT/DDA with older units.

**Question:** Is LHC qualified to do both public housing and multi family subsidy layering reviews?

## **Targeting low income versus higher income**

There is a lot of mention in limiting low income families. Points are structured for less low income families and even the tiebreaker. This would be a general concern that the tax credits aren't being targeted at the most needy. Public housing, HCV, RD, and HUD HFA PBRA all target low income to very low income families. It would further affirmatively promoting fair housing and housing choice options to remove the targeting of higher income and instead target the lower income ranges. The lower income ranges are also harder to make work due to lower rent collection as compared to a 60% renter or even an 80% or market rate unit. (Add the section 42 language here)

## **Site location**

Transportation can be an issue for many entities that are located outside or larger cities. There should be an exception for the more rural communities that do not have public transportation available. Even cabs are difficult to find in rural communities.

## **Rehabilitation projects**

Allow submission of both a Capital Needs assessment and a RAD Physical Capital Needs Assessment PCNA completed under HUD's standards and guidance. (Requires a licensed staff person)

HUD allows the RAD Capital Needs Assessment to be valid for one year. The QAP has 90 days. Would LHC consider an exception if it is a RAD PCNA?

### **Property Management Experience**

Recommend adding that an entity may manage a property if they can demonstrate previous management experience of federally funded programs, success with compliance as exhibited by federal monitoring standards, and if they have tax credit experience. If the entity has management experience with a federal program but not tax credit experience, the entity may be allowed to manage as long as they have a compliance entity that meets the LHC requirements. Entities that have been troubled or have had severe or multiply audit findings would not be eligible to self-manage even with a third party compliance entity. These troubled or substandard entities would need full third party management.

(This provision would allow PHAs to preserve staff, gain tax credit compliance experience without giving up property management/maintenance/intake, while hiring a third party to ensure tax credit compliance. Companies like Alpha Barnes, BGC Advantage, and many others are available to provide this service in conjunction with appropriate guarantees from the developers and agreement from the investors of course)

### **Conditional CHAPS**

HUD should be issuing conditional CHAPS in the next 30 days. How will LHC view those? As a financing commitment?

### **Scattered Sites**

Scattered sites may be used to rehabilitate or provide infill housing in rural communities as well as urban. Consideration should be given for a new construction that has several units that anchor a site with infill or rehab in the neighborhood not more than a 2 mile radius from anchor project. This helps promote real community rehabilitation. These projects are much harder to design, build, and manage, but provide more stability in a neighborhood. (Many elected officials are asking for this reinvestment in left behind neighborhoods. Coupling new construction with infill can be a valuable tool in a community.

Recommendation: Update scattered site to include scattered sites in urban and non urban areas that are not more than 2 miles from a project anchor or from each other.

Under a 4% project scattered sites should not be limited by mileage but rather what the investor will accept.

## **Add RAD PBV and RAD PBRA to the definitions**

### **Community facilities**

Allow for scattered site rental projects that are non-contiguous to have a community facility as long as all of the units are within the 2 mile radius and the community facility serves those residents. This type development should also receive community facility points.

### **Green Building**

Consider adding Southcraft certification to the green building section

### **Infill project**

A project that includes the development of vacant or underused parcels of land within existing urban or rural areas that are already largely developed or previously developed. The site must be surrounded on at least two sides with adjacent established development (residential or commercial). Agricultural land does not qualify as infill. Property that has been adjudicated or donated by a government entity and available for housing redevelopment may also qualify and be used as infill. (This would help when cities or land banks want to assist with property donations or sale of property. Small communities are seeing the need for previously developed initiatives.)

### **SCATTERED SITE PROJECT**

A project consisting of buildings containing housing units in which all such units are rent restricted provided that each building is located on a single lot which is subdivided by the local jurisdiction and for which an option to purchase separately may be executed and further provided that a single building may not contain more than two (2) housing units. Evidence of a Scattered Site Project must consist of a subdivision plot or proposed subdivision plot evidencing separate lots for each building. If a Scattered Site Project is located on non-contiguous land, no points will be awarded for Community Facilities. Scattered sites may also include developments that have an anchor project with non-contiguous sites but that are in a 2 mile radius from the anchor project or within 2 miles from each other and that support infill and revitalization of the neighborhood. These scattered site projects may have a community facility and receive points if the revaluation and scattered sites are all within 2 mile radius.

### **Scoring Factors**

Deconcentration limits the ability to have PBV in a project. Deconcentration is a great thing but this scoring element hinders rehabilitation of tax credits, PH, RD, and PBRA/FHA projects.

### **Geographic Diversity**

This scoring factor abandons some of the neediest communities due to the high poverty. Consider elimination and instead focus on investing in low income communities and areas to assist with revitalization.

### Redevelopment Type

Give points for a Public Housing RAD PBV or PBRA project

### Scattered Site

Allow for a combination of new construction and rehab so you can address rehabilitation and revitalization. For example you may be addressing abandoned units as in fill in and around your anchor project to bring the neighborhood around the project up.

The significant growth limits and targets projects to only certain areas of LA. Very limiting for other high need areas.

### Income targeting

If you want to leave points in for higher income projects than consider balancing that out with more points for targeting low income AMI. Consider adding 8 points for targeting projects with 40% targeting of 30% AMI and 9 points for 50% targeting of 30% AMI

### Government Support

Allow PHA contributions to be considered government support. They are chartered under state law which makes them a government entity. FEMA also recognizes PHAs as a government entity for public assistance. Follow the same points as the governmental support category but allow it to be used for project related costs soft or hard just like you do for cities.

Site selection is still easier for an urban project to meet. Rural projects have services spread out more than a mile and do not have public transportation.

Recommendation: Distinguish between rural and urban in categories and points. Require urban to have more services within 1 mile and allow rural cities to have 5 mile radius but less services. Make the point opportunities match.

### Security

Allow onsite security in rural communities to be addressed with cameras and a real service that calls the sheriff or police.

