Application FAQs

I have registered for the HOME/Housing Credit Application Workshop but have a question regarding attendance. My company is new and has two owners, and we are also currently the only employees of the company. If I am the only one to attend, since I am a principal of the developer/applicant as well as the contact person on the application does my attendance count for both so that my application would receive all 5 Readiness points awarded for attendance at the Workshop?

For applicants that have not closed an AHFA HOME loan and/or received IRS Form 8609 from AHFA on a prior project, the Workshop attendee must be an owner, an officer, executive director or a principal of the ownership entity in the proposed application in order for the applicant to qualify for the points.

Can conventional multifamily count for development points?

Points will be awarded for the development and current ownership of multifamily housing since 2005. “Conventional” multifamily housing is considered multifamily housing. In order to receive points, the Schedule of Real Estate Owned form and Owner Verification form (if applicable) must be completed accurately and a certification from the financing entity must be provided, if applicable.

In the scoring section, projects receive five points if the developer has developed 500 or more units or 5 or more projects since 2005. We have a project that received tax credits in 2014. We have a Certificate of Occupancy and it is approximately 50% occupied. Will this project count toward the five project requirement?

5 points will be given to applicant owners (individual(s), shareholders, members, corporation(s), or in the case of a limited partnership, the general partner(s)) who currently own and have previous successful experience in the development of Active AHFA funded projects that received a Housing Credit Reservation Letter or HOME Written Agreement in 2005 or later. Active AHFA funded projects are defined as: (1) HOME projects that have closed their HOME loan with AHFA; or (2) Housing Credit (including TCAP/Exchange) projects that received the IRS 8609 form(s).

Points will be given to applicant owners of Non-AHFA funded projects that placed in service in 2005 or later. The applicant owner must list each Non-AHFA project(s) on the Schedule of Real Estate Owned (Non-AHFA) form and provide a certification from each financing entity confirming ownership and the total number of units for each project.

Regarding points for development experience, is the experience since 2005 just on Alabama developments or can they be in a state other than Alabama?  
  
Points will be given to applicant owners of Non-AHFA funded projects that placed in service in 2005 or later. The applicant owner must list each Non-AHFA project(s) on the Schedule of Real Estate Owned (Non-AHFA) form and provide a certification from each financing entity confirming ownership and the total number of units for each project

Can a limited partner in a limited partnership count for development experience as long as it is not a special limited partner or does it have to be a general partner of the limited partnership?

5 points will be given to applicant owners (individual(s), shareholders, members, corporation(s), or in the case of a limited partnership, the general partner(s)) who currently own and have previous successful experience in the development of Active AHFA funded projects that received a Housing Credit Reservation Letter or HOME Written Agreement in 2005 or later.

Regarding points for development experience, does the project have to have an 8609 or can it be placed in service with the 8609 pending?

Active AHFA funded projects are defined as: (1) HOME projects that have closed their HOME loan with AHFA; or (2) Housing Credit (including TCAP/Exchange) projects that received the IRS 8609 form(s).

Regarding Tenant Needs Points, can we use the units from which we provide at a minimum 5% of the dwelling units be designated and constructed to be readily accessible to individuals with mobility impairments, for the purpose of accomplishing the 5% set-aside for tenants with disabilities or homelessness?

In order to receive points for projects that set-aside 5% of the total units for tenants with disabilities or homeless populations, the units must be actively marketed and rented to households with at least one tenant with a disability or a tenant transitioning from being homeless. An approved marketing and preference plan will be required at the time of the final applications.

In reference to Points for Applicant Characteristics where Minorities or women have ownership in the project, will an applicant still receive the points for ownership if the minority/woman owner has more than a 50% ownership interest but does not serve as manager of the general partner?

In all cases, the minority or female individual(s) must have at least a 50% ownership interest as the project’s general partner or 50% ownership interest in the participating business to qualify for the points. These businesses include, but are not limited to, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services. The name and address of the company and the anticipated contract amount must be listed at the time of application on the form provided by AHFA in the application package in order to receive the points.

In the past, we believe that AHFA did not want a paper copy of the Environmental Report or Market Study in the submitted copy portion of the application. Is that still the case with the initial application? I.e., does AHFA want only an electronic copy of the Environmental Report and an electronic copy of the Market Study (along with the paper copy of the Market Study Certification in the copy portion of the application? Or does AHFA want full paper copies as well?

The Market Study and Environmental Report should each be presented in paper (original) and digital format (copy).

In previous years the initial application instructed applicants to submit a CD copy of the Market Study, Environmental, etc. Currently the instructions states that a digital copy must be submitted. Is this still a CD or do we submit a flash drive?

Per the Application Instructions, we require:   
3c. Digital Copy of Market Study, 4b. Digital Copy of Environmental Site Assessment Phase I Report, and 4d. Digital Copy of Environmental Site Assessment Phase II Report (if applicable).   
The Digital Copy can be in the form of a CD, or USB Flash Drive.

Both of the sites I am working on are located in EPA Radon Zone 1. However, what if projects are located in Zones 2 or 3? HUD requires testing regardless of radon zone for any substantial rehab project. I just want to make sure we are consistent with the QAP in all areas of our due diligence.

AHFA doesn’t have specific testing requirements for Radon. Rehab projects must follow EPA’s Radon Mitigation Standards.

If a project was awarded HOME funds in 2013 and had forward allocated LIHTC’s for the year 2014, would it be considered to be funded in 2013 or 2014?

A project approved for funding during the 2013 application cycle would be considered funded in 2013.

While we had a DMS access granted for Project ABC, we interpret the instructions to say that if the ownership for Project XYZ has a different structure than the structure tied to the original DMS – we would need to re-reregister? Can you please confirm?

No, you do not need to re-register if the applicant/developer is the same entity that filled out a prior application. Please review the AHFA DMS Authority Online Registration & Instructions for further clarification.

I am writing with an information request regarding Low Income Housing Tax Credits in your state. We were wondering how local governments are involved with the distribution of the federal low income housing tax credit. Are there any requirements for a public notice or necessity for fiscal court approval or public input? Also does your state require local government approval of the buildings that are funded?

AHFA does not require local government approval of buildings that are funded or fiscal court approval. However, we are required to notify the chief executive officer (or the equivalent) when an application for Housing Credits has been submitted. Please see the excerpt below from the 2017 Housing Credit Qualified Allocation Plan, Section I.C., Page 6:  
“In accordance with Section 42(m)(1)(a)(ii) of the Internal Revenue Code, AHFA is required to notify the chief executive officer (or equivalent) of the local jurisdiction within which an applicant has submitted an application for funding using the Housing Credit program. AHFA is required to provide such individual a reasonable opportunity to comment on the project. Comments made by the executive officer will be considered by AHFA, along with other market information, to determine the feasibility or viability of the project.”  
AHFA is also required to publish a public notice advertising the availability of the Draft Housing Credit Qualified Allocation Plan, conduct a public hearing and accept written comments for 30-days. You may review the 2017 Citizen Participation Process and Significant Changes/Summary of Public Comments & AHFA’s Responses at the following AHFA website link:  
<http://www.ahfa.com/multifamily/allocation-application-info/current-year-allocation-plans>

Must the entities have a tax ID number at the time of submission or can we put “to be obtained” in that block and supply it at the appropriate time? Do you run the authorization if a deal does not get funded?

If you are referring to “newly formed entities” you are not required to provide the Tax ID at the time of application. AHFA reserves the right to run credit authorizations for all applications submitted and all applicants subsequently approved.

Are you planning to publish a list of the census tracts and their % of area median income as you have done in the past?

Please see the recently published 2017 Qualified Census Tracts & Difficult Development Areas List along with the 2017 Census Tract and Median Family Income List at the following web link: <http://www.ahfa.com/multifamily/allocation-application-info/apply-for-funding>

Regarding form 17b, Rehabilitation Square Footage and Architect’s Certification 2017: If I have eight apartment types and there is only room for five. Should I attach a separate sheet with all this info?

When completing the AHFA application form 17b – Rehabilitation Square Footage and Architect’s Certification form for projects with more than five apartment types, please use additional Rehabilitation Square Footage and Architect’s Certification forms as needed.

In the initial Ownership entity we will have 2 GP’s and an LP. The LP will withdraw at the time of syndication to be replaced by the investor LP. The instructions for the Credit Authorization say to provide a form for each org., member, owner, shareholder, or general partner. It does not mention Limited partners. Do you need one for the withdrawing LP?

If the LP entity is not a permanent owner in the project and is withdrawing at the time of syndication, a Credit Authorization Form is not required for the LP entity.

Will AHFA accept "HUD Utility Allowance Schedule" in lieu of a Housing Authority Section 8 Utility Allowance (which have a high number of efficiency apartments having much lower utilities)?

The “HUD Utility Schedule Model” is an acceptable form of utility allowance. For the tax credit program you must also have the Housing Authority Section 8 Utility Allowance (PHA utility allowance) for the households which receive Section 8 rental assistance.

What type of census tract verification does AHFA want submitted in application?

A Verification letter from the local planning official is required.

Is there is a document that breaks down how exactly Alabama Housing Finance Authority would like to see the supply and demand analysis shown?

The Market Study Certification is located in the 2017 Initial Application Package on our website. This document details what information should be included in the supply and demand analysis.

I have been working with a general contractor in other states and would like to use them here in Alabama. The GC is in the process of getting licensed in Alabama but we are told by the state license board it can take several weeks for the license number to be issued. Would a pending application for an Alabama contractor’s license at the time of AHFA application submission disqualify a contractor or an application?

Please see Application Form 16c. All applicants must complete this form which requires that the General Contractor selected must be licensed by the State of Alabama

The Capital Needs Assessment instructions state “in a form acceptable to AHFA” but do not give specifics. We have a CNA that was done for USDA and updated – will that format be acceptable to AHFA?

AHFA will review and determine the adequacy of any Capital Needs Assessment once received.

What happens to your HOME Funds if you don't allocate all of them?

The remaining funds are carried over to the next allocation year.

Is there a document that breaks down how exactly Alabama Housing Finance Authority would like to see the supply and demand analysis shown?

The Market Study Certification is located in the 2017 Initial Application Package on our website. This document details what information should be included in the supply and demand analysis.

One of our applications has multiple 2 bedroom building types on the site. One of them being normal apartment units in a multi-story building and the other being attached townhomes, thus creating different utility allowances for each unit type.  Thankfully, the Pro Forma tab in the DMS Online Application, pulls utility allowance data from the unit summary tab which produces correct figures in the online pro forma.  For purposes of submitting the online app via DMS, do you have any recommendations on how to show both utility allowances on the Utility Allowance tab?

The AHFA DMS Authority Online Utility Allowance page allows one (1) utility allowance per bedroom type.  To show an additional utility allowance for the same bedroom type, please provide a separate document showing the bedroom type and utility allowance. Provide this document with the printed copy of the AHFA Authority DMS Online Application Utility Allowance within the Multifamily Funding Final Application submission.