

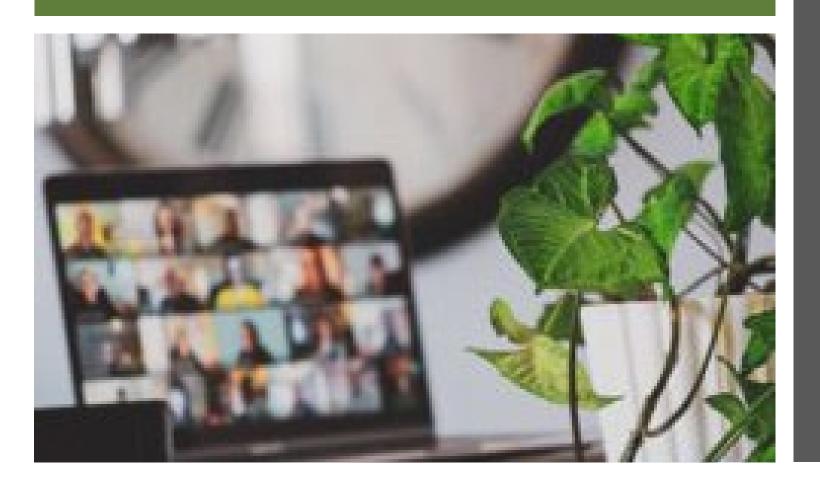
LOW INCOME HOUSING TAX CREDIT QUALIFIED ALLOCATION PLAN (QAP) FOCUS GROUP

#### **Facilitators**:

Deputy Director Cindy Stotler, ADOH

Assistant Deputy Director Ruby Dhillon-Williams, ADOH

#### Overview



Held virtual stakeholder focus groups in July and August 2021

10 focus groups with 115 attendees

Also accepted written comments





### QAP Makeover

- Shortened and aligned with goals
- Streamlined
- Separation of 4% from 9%
- Exhibit D Mandatory Design Guidelines
- Market Study Guide
- QAP Forms



#### Tie Breaker

Scoring homogenization leads to need for tie breaker among all viable projects

Creates issues with underwriters

Many believe this led to manipulation to make the numbers work





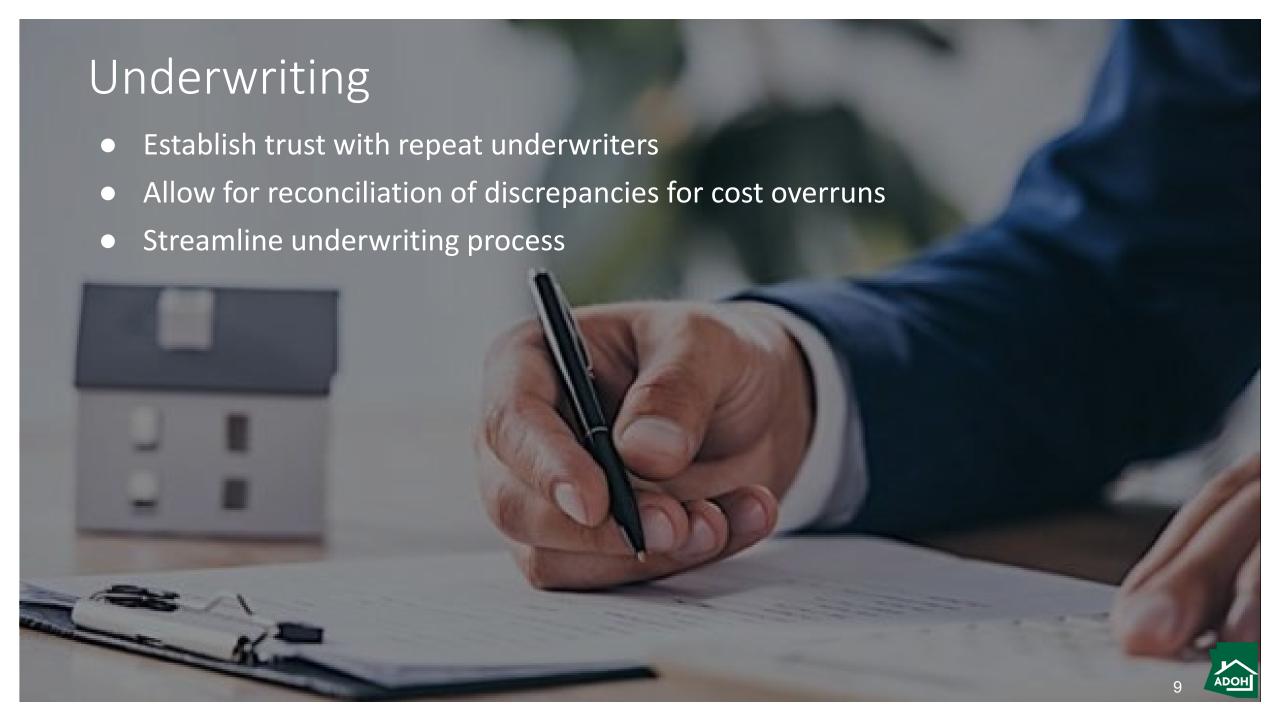


### Building Efficiency Score

- Concern it creates more expensive projects
- Current efficiency requires large apartments to maximize amenity space
- Not inclusive of all project types
- Too complicated









Rural Challenges

- Transportation/grocery requirement is difficult to meet
- Harder to secure gap financing
- Need LIHTC to fund homeownership projects





#### PSH Challenges

- Continued funding for wrap around services is difficult to acquire
- Rental Assistance Needed
- Requirement for finance and vouchers to be secured before award makes PSH projects less appealing

## SB 1124 – State Low Income Housing Tax Credit

- Annual State LIHTC cap of \$4 million
- Four years
- Eligibility statement issued by ADOH
- Coordination with sister departments
- Can not be layered with other tax exemptions







#### SB 1076 – Income Based Tax Valuation

- Effective September 29, 2021
- May lower real estate property taxes for LIHTC projects
- Income verified through
  - If Existing Project Audited Financial Statements (3 years)
  - If New Project Available
    Audited Financials with
    Proforma

# Timeline

First Draft	September 1st
First Draft Comment Deadline	September 15th
Second Draft	October 1st
Final Comment Deadline	October 15th
Final QAP	November 5th

