



Arizona
Department
of Housing

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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



Major Themes



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

Streamlining Processes

- Offer relief/guidance when QAP and local code don't align
- Change deadlines
- Speed up ADOH process turnaround
- Reduce 4% turnaround times
- In this together



Developer Maximums

- Allow more than one award per developer
 - One rural and one metro

Underwriting

- Establish trust with repeat underwriters
- Allow for reconciliation of discrepancies for cost overruns
- Streamline underwriting process



TOKA Homes III, Tohono O'odham Nation

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





State Low Income Housing Tax Credit Program

- Criteria for Award – 2022 QAP
- Statewide Impact



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

Discussion

Submit written comments to:

rental-qap@azhousing.gov

