

Tara Hall

From: Dan Levine <Dan.Levine@self-help.org>
Sent: Friday, October 15, 2021 8:30 AM
To: Tara Hall
Cc: Jennifer Player
Subject: OCAHC Comments on QAP

Ms. Hall,

Jennifer (Ccd) and I are writing on behalf of the Orange County Affordable Housing Coalition (OCAHC) to share comments on the draft 2022 QAP. The OCAHC is an association of non-profit housing developers, service providers, advocacy groups, and local government partners working together to provide housing opportunities for all. Our mission is to advocate for the creation and preservation of safe, dignified, affordable housing in Orange County and the coalition consists of over 50 active members.

OCAHC defers to LIHTC developers—including its member organizations CASA, DHIC, and Self-Help—to offer the most detailed, nuanced comments on the QAP process and scoring criteria. Instead, we want to focus our comments on policy-level issues of the highest importance to OCAHC's broader membership. The OCAHC urges NCHFA to:

- Create a scoring system that clearly distinguishes among applications so that the most impactful projects are selected and there is less room for unimportant minor distinctions and tie-breakers to determine funding awards. A more robust scoring system should better focus on providing the most critically needed housing in the parts of the state where the affordability crisis is most dire. Changes should include a focus on scoring that—
 - Encourages through points and/or tiebreakers greater targeting of units to tenants of the lowest incomes, including but not limited to those below 30% AMI.
 - Discourages developments proposing units >60% AMI, since 80% AMI rents closely approximate market rate housing in many communities at the expense of truly affordable units.
 - Further prioritizes serving people most at-risk of homelessness or with significant disabilities, including through greater set-asides, while recognizing that supportive housing is not the same as standard LIHTC housing and some necessary differentiation should continue. (Relatedly, the KEY program referral process often does not work as intended due to a lack of referrals from DHHS/LMEs, and should be corrected promptly and expanded to include referrals from other qualified agencies serving vulnerable populations.)
 - Rewards developers pursuing projects in high need/high market barrier to entry communities and neighborhoods.
 - Incentivizes developers to pursue comprehensive third-party green certifications, to form design and construction teams that include certified Minority- and Women-owned Business Enterprises, and to better incorporate universal design and aging-in-place principles in Appendix B and in the scoring criteria.
- Boost the non-profit set-aside because nonprofit housing developers are more likely to keep units affordable post-compliance.
- Support protections for a Right of First Refusal preserving long-term affordability beyond the compliance period and protect the non-profit partner's interest, such as HFAs that require LOIs from equity investors including ROFR language.
- Consider annual population growth and housing cost increases in allocating credits across regions, as the current approach to credit allocation ignores major demographic and market trends, generally directing too little tax credit allocation where it is needed most in the interest of wider geographic distribution.

Thank you for your consideration, and for your ongoing work on the LIHTC program.

Jennifer Player (2020-2021 Co-Chair) and Dan Levine (2021-2022 Co-Chair) on behalf of the Orange County Affordable Housing Coalition (<http://www.orangehousing.org/>)