



2017 Qualified Action Plan Public Hearing

April 10, 2017 – 6:30 PM

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Background



- The QAP is the federally mandated state plan for the allocation of tax credits allotted to the District of Columbia by the Federal Low Income Housing Tax Credit (LIHTC) program
- Governs the allocation of competitive 9% tax credits and administration of 4% tax credits
- Outlines allocation criteria based on federal requirements and the District's priority housing needs
- DHCD administers the LIHTC program on behalf of the District

Overview



- Draft QAP
 - Published on March 17, 2017
 - 30-day public comment period ends April 17, 2017
- Substantial revisions
 - Last QAP published in 2012
- Threshold and scoring criteria align with DHCD's Consolidated Affordable Housing RFP

Threshold Eligibility Requirements



| THRESHOLD ELIGIBILITY REQUIREMENTS | Applicable? | |
|--|-------------|--------------|
| | Production | Preservation |
| <i>Project Criteria</i> | | |
| Basic Eligibility | ✓ | ✓ |
| Permanent Supportive Housing | ✓ | NA |
| Site Control | ✓ | ✓ |
| Zoning | ✓ | ✓ |
| <i>Financial Criteria</i> | | |
| Development Budget and Operating Proforma | ✓ | ✓ |
| Financing Letters | ✓ | ✓ |
| Financial Information for Operational Projects | NA | ✓ |
| <i>Applicant Criteria</i> | | |
| Development Team Thresholds | ✓ | ✓ |
| <i>Reports and Plans</i> | | |
| Appraisal | ✓ | ✓ |
| Market Study | ✓ | ✓ |
| Environmental and Physical Needs Assessments | ✓ | ✓ |
| Architectural Plans and Cost Estimates | ✓ | ✓ |
| <i>Compliance Criteria</i> | | |
| Green Design and Building | ✓ | ✓ |
| Relocation and Anti-Displacement Strategy | ✓ | ✓ |
| General Compliance | ✓ | ✓ |
| <i>LIHTC-Specific Requirements</i> | | |
| Year 15 Plan | ✓ | ✓ |



Threshold – Highlighted Changes



- Year 15 Plan
 - Plan for end of initial 15-year compliance period



Selection Criteria



- Applications for 9% tax credits are competitively scored

| Underwriting Scoring | Potential Points |
|--|-------------------------|
| Financial and Economic Feasibility | 30 |
| Development Team Capacity and Experience | 30 |
| Site Selection and Design Characteristics | 5 |
| Market Demand and Need Analysis | 10 |
| Acquisition Cost Reasonableness | 5 |
| Compliance with DHCD Cost and Funding Guidelines | 10 |
| Leverage | 10 |
| Underwriting Scoring Subtotal | 100 |

Selection Criteria – Prioritization Scoring



| | |
|---|------------|
| <i>Demographic Criteria</i> | |
| Permanent Supportive Housing and TAH | 10 |
| Supportive Services Plan | 5 |
| Family-Oriented Units | 10 |
| Senior Housing/Artist Housing | 5 |
| Income Levels Served | 7 |
| Section 8 and Public Housing Waiting Lists | 1 |
| <i>Applicant Criteria</i> | |
| Non-Profit Participation and Right of First Refusal | 5 |
| TOPA Preference | 5 |
| <i>Location Criteria</i> | |
| Transit Proximity | 5 |
| Economic Opportunity Targeting | 14 |
| <i>Project Criteria</i> | |
| Preservation | 5 |
| Mixed-Income | 10 |
| Preference for Projects with District Land | 8 |
| Net Zero Energy or Living Building Challenge Preference | 5 |
| Extended Use Restriction | 5 |
| Prioritization Scoring Subtotal | 100 |



Selection Criteria – Highlighted Changes



- QAP Scoring aligns with DHCD's Consolidated Affordable Housing RFP

