

Application FAQs

Can conventional multifamily count for development points?

Points will be awarded for the development and current ownership of non-AHFA multifamily housing that placed in service in 2006 or later. “Conventional” multifamily housing is considered multifamily housing. In order to receive points, the Schedule of Real Estate Owned form(s) must be completed accurately, applicants must currently own the properties listed for development points, and applicants must meet the unit and/or project number criteria as provided in the HOME Action Plan or Housing Credit Qualified Allocation Plan.

(See Addendum A - Point Scoring, Applicant Characteristics)

In the scoring section, projects receive five points if the developer has developed 500 or more units or 5 or more projects since 2006. 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 2006 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 2006 or later. The applicant owner must list each non-AHFA project on the Schedule of Real Estate Owned (Non-AHFA) form.

(See Addendum A – Point Scoring, Applicant Characteristics)

Regarding points for development experience, is the experience since 2006 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 2006 or later. The applicant owner must list each Non-AHFA project(s) on the Schedule of Real Estate Owned (Non-AHFA) form.

(See Addendum A – Point Scoring, Applicant Characteristics)

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 2006 or later.

(See Addendum A – Point Scoring, Applicant Characteristics)

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).
(See Addendum A – Point Scoring, Applicant Characteristics)

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.

(See Addendum A – Point Scoring, Tenant Needs)

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.

(See Addendum A – Point Scoring, Applicant Characteristics)

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 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).
(See 2018 Alabama Housing Finance Authority Multifamily Funding Application Instructions, for additional information)

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?

We require: A Digital Copy of Market Study, a Digital Copy of Environmental Site Assessment Phase I Report, and a 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.
(See 2018 Alabama Housing Finance Authority Multifamily Funding Application Instructions, for additional information)

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.
(See Addendum B – Alabama Housing Finance Authority Environmental Policy Requirements, AHFA Requirements #9 Radon; See Addendum C – Alabama Housing Finance Authority's Design Quality Standards and Construction Manual, Section II A. 2.) Requirements for All Approved Projects, A. Site Specific Criteria)

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.

We have 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-register? 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.
(See 2018 Alabama Housing Finance Authority Multifamily Funding Application Instructions, Part II – AHFA DMS Authority Online Application Registration)

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. Per the QAP:

“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 2018 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>

(See 2018 Housing Credit Qualified Allocation Plan, Application Criteria)

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.

(See 2018 Multifamily Funding Application form “Credit Authorization” for additional information)

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

AHFA will publish the most current Qualified Census Tracts & Difficult Development Areas List along with the most current Census Tract and Median Family Income List at the following web link:

<http://www.ahfa.com/multifamily/allocation-application-info/apply-for-funding>

Regarding the form Rehabilitation Square Footage and Architect’s Certification: 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 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.

(See 2018 Multifamily Funding Application form “Architect Certification Form” for additional information)

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.
(See 2018 Multifamily Funding Application form “Credit Authorization” for additional information)

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 Applicant must provide utility allowance documentation from the utility provider, the local Public Housing Authority, HUD utility schedule model, or the Energy Consumption Model. Public Housing Authority utility allowance is not permitted for HOME applications.

(See 2018 Alabama Housing Finance Authority Multifamily Funding Application Instructions, Utility Allowance Documentation).

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

A Verification letter from the local planning official is required.
(See 2018 Alabama Housing Finance Authority Multifamily Funding Application Instructions, Census Tract Verification for Median Family Income).

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

See the 2018 Multifamily Funding Application form “Market Study Certification” for information on how the supply and demand analysis is shown. 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 general contractor 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?

General Contractor selected must be licensed by the State of Alabama.
(See 2018 Multifamily Funding Application form “Certification of Bid Law Compliance” for additional information)

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.

We may or may not go the route of using the AHFA HOME Mortgage as our first and second mortgage. At what point during the application process are we “locked in”?

Applicants should apply as required in the Application Instructions, and provide construction and permanent commitments that are fully executed firm commitments from a lending institution.
(See 2018 Alabama Housing Finance Authority Multifamily Funding Application Instructions, Construction and Permanent Commitment Letters from a Lending Institution)

Should the Management Verification Form be submitted to AHFA for approval prior to application submission?

No. The AHFA Management Verification Form is submitted with the Application.

What is the determining factor in making it financially feasible to use the basis boost for HOME projects that have the 1st and 2nd mortgage?

The application must be financially feasible at application, with a 1st mortgage from a lending institution and a 2nd HOME mortgage. Then, the project is underwritten with the HOME 1st and 2nd.

Does AHFA consider an owner to be an individual or corporate entity?

AHFA considers an owner to be either an individual or corporate entity.