



# **2018 Qualified Allocation Plan and Uniform Multifamily Rules**

## **Project Plan**

**May 16, 2017**

**IMPORTANT DISCLAIMER: THIS PROCESS IS INTENDED TO ENABLE STAKEHOLDERS AND STAFF TO CONTRIBUTE AND DISCUSS IDEAS AND CONCERNS TO BE CONSIDERED IN THE DEVELOPMENT OF THE QAP AND UNIFORM MULTIFAMILY RULES FOR 2018. THE OFFICIAL PUBLICATION OF A BOARD APPROVED DRAFT FOR PUBLIC COMMENT WILL STILL OCCUR IN ACCORDANCE WITH THE STATUTORILY ESTABLISHED CALENDAR IN FALL 2017.**

## **INTRODUCTION**

The purpose of this project is to plan and discuss the 2018 Qualified Allocation Plan ("QAP") and the Uniform Multifamily Rules ("Rules"). The ultimate deliverable for this project is a QAP and Rules that clearly articulate TDHCA housing policy as established by the Governing Board through threshold and scoring criteria, as well as meeting all applicable state and federal requirements. TDHCA staff welcomes an open discussion with stakeholders in affordable housing across the state of Texas.

It is planned that the process will include regular monthly meetings on the day before Board meetings, outreach efforts so that stakeholders who are not able to attend meetings will have an opportunity for input, and focused meetings with stakeholders that have specific needs and insights. Staff may involve local and regional experts in affordable housing to present findings at meetings, and staff may conduct and contribute their own research on select issues.

Throughout this plan and in supporting documents, the terms "Rules" and "QAP" may be used interchangeably. Because the QAP (Chapter 11) and the Rules (Chapter 10) are currently so integrated, staff's and stakeholders' input will often reference these two Chapters in unison. However, it is a likely possibility that the QAP and aspects of the Rules may be reconfigured as a part of this process.

## **PROJECT GOALS AND PURPOSE**

The Multifamily Finance Division ("Division") staff will lead the project, including scheduling meetings, accessing necessary resources, facilitating conversations, and compiling results. The Division will provide periodic reporting to the Board so they are regularly updated on the progress of the monthly meetings and have an opportunity for input throughout the process. Staff from other TDHCA divisions may be asked to participate as needed.

Stakeholders, including the development community, advocates for various interest groups served by affordable housing, residents of TDHCA properties, and subject matter experts, will be invited to participate in meetings, surveys, or other forms of public comment and discussion so that a clear assessment of varying needs and priorities may be compiled. That assessment, along with applicable statutory and regulatory requirements, will be used to draft amendments and changes to develop the proposed 2018 QAP. Because many stakeholders cannot travel to Austin for these monthly QAP meetings, the Division staff will make a strong effort to solicit feedback through more flexible means. Possible media include online polls and focus groups. TDHCA staff also may hold stakeholder meetings in other locations.

It is anticipated that the process will continue through July 2017, and that a draft 2018 QAP will be available in late summer / early fall 2017. Specific sections of the QAP may be drafted and made available for informal comment throughout the process, in order to solicit immediate feedback on those items.

## **PROJECT SCOPE**

The scope of the project will include the planning and development of specific topics to be considered for amendment in the 2018 QAP and Rules, and potentially years later. While it is anticipated that the process will be completed prior to publication of the staff draft and presentation of the Amended QAP to the Board in September 2017, this is an ever-evolving process and there may be items that will be continued into subsequent years. The chief focus of the project is the 2018 QAP, but other parts of the Multifamily Rules may be included in the project as needed.

The project will rely heavily on data gathered from external sources. Sources may include (but will not be limited to) Census and ACS data, reputable research centers, and best practices from other organizations or states. Internal data may include TDHCA's Compliance Monitoring and Tracking System ("CMTS") and general knowledge gathered from previous application rounds.

During this process, Division staff will be evaluating related topics to the QAP. This research and staff's experiences with and/or knowledge of evaluation, scoring criteria, and tenant needs will be incorporated into the project.

### *Initial topics proposed for discussion:*

Broad questions that may guide our discussion throughout 2017 include the following:

1. How can the QAP best support Applicants in complying with Fair Housing Requirements?
2. How can the widely varying needs across the State (as well as within rural and urban subregions) be best accommodated within one scoring structure?
3. How to maximize but also streamline services and benefits to tenants? And how to maximize the value of TDHCA's annual LIHTC allocation while also maximizing tenant services?
4. Is the QAP's scope of provisions to address Undesirable Neighborhood Characteristics optimal?
5. Some proposed changes to the 2017 QAP were too significant of a change to consider during public comment. Which of these proposed changes merit additional work and possible inclusion in the 2018 QAP? They include:
  - a. De-concentration provisions.
  - b. An ongoing assessment of Opportunity criteria and community assets that should be identified and leveraged in the QAP.
  - c. Specifying delivery guidelines in regards to Tenant Services (§11.9(c)(3)), such as time tables for services or identifying local / regional partners.

The items that drew the largest number of comments from the 2017 QAP Public Comment process were chosen as the topics to be taken up during the first few 2018 QAP meetings. Topics for later meetings will be determined as the process progresses. These five possible topics include:

1. Consideration of provisions relating to educational quality.
2. How to define and weight various elements that relate to opportunity and designate appropriate distances to those elements.
3. Ideal population size for the Underserved Area and Proximity to the Urban Core scoring items and, in general, creating an appropriate balance among urban, exurban, and rural sites.
4. Responding effectively to NIMBYism when exploring the feasibility of affordable housing developments.
5. Continuing the dialogue on what constitutes a Concerted Revitalization Plan, taking into account Revenue Ruling 2016-77.

## SCHEDULE BASELINE

The initial schedule proposes to meet in Austin the day before the TDHCA Governing Board meeting. Specific topics to be discussed at each meeting will be mapped out prior to the January 25 meeting, based on input from stakeholders and staff priorities. Additional meetings may be scheduled in order to accommodate specific topics, or in locations other than Austin.

| 2017 QAP Planning Process - Tentative Schedule         |          |  |
|--|----------|--|
| Title  | Date     | Description  |
| 1 <sup>st</sup> 2018 QAP Meeting                       | 12/14/16 | Location: Stephen F. Austin Building<br>Time: 2:00 to 5:00<br>Subject: Planning the 2018 QAP monthly meetings; identifying topics of interest.         |
| TDHCA Board Meeting                                    | 12/15/16 | Presentation to the TDHCA Governing Board regarding progress on planning and discussion.   |
| 2 <sup>nd</sup> 2018 QAP Meeting                       | 01/25/17 | Location: Stephen F. Austin Building, Room 170<br>Time: 2:00 to 5:00<br>Subject: Dispersion and Underserved Area                                       |
| TDHCA Board Meeting                                    | 01/26/17 | Presentation to the TDHCA Governing Board regarding progress on planning and discussion.   |
| 3 <sup>rd</sup> 2018 QAP Meeting<br><b>*CANCELLED*</b> | 02/22/17 | Location: Stephen F. Austin Building, Room 170<br>Time: 2:00 to 5:00<br>Subject: Timing issues related to the 9% cycle, including Readiness to Proceed |
| TDHCA Board Meeting                                    | 02/23/17 | Presentation to the TDHCA Governing Board regarding progress on planning and discussion.   |
| 4 <sup>th</sup> 2018 QAP Meeting                       | 03/22/17 | Location: Stephen F. Austin Building, Room 170<br>Time: 2:00 to 5:00<br>Subject: market issues impacting 2016 and 2017 housing tax credit developments |
| TDHCA Board Meeting                                    | 03/23/17 | Presentation to the TDHCA Governing Board regarding progress on planning and discussion.   |

|                                     |          |   |
|-------------------------------------|----------|---|
| 5 <sup>th</sup> 2018 QAP Meeting    | 04/26/17 | Location: Stephen F. Austin Building, Room 170<br>Time: 2:00 to 5:00<br>Subject: Opportunity Index  |
| TDHCA Board Meeting                 | 04/27/17 | Presentation to the TDHCA Governing Board regarding progress on planning and discussion.  |
| 6 <sup>th</sup> 2018 QAP Meeting    | 05/24/17 | Location: Stephen F. Austin Building, Room 170<br>Time: 2:00 to 5:00<br>Subject: Security & Privacy of Protected Information – New Rules Overview; Proposed New Visitability Rule |
| TDHCA Board Meeting                 | 05/25/17 | Presentation to the TDHCA Governing Board regarding progress on planning and discussion.  |
| 7 <sup>th</sup> 2018 QAP Meeting    | 06/28/17 | Location: Stephen F. Austin Building, Room 170<br>Time: 2:00 to 5:00<br>Subject: Real Estate Analysis and Market Demand & Concerted Revitalization Plans                          |
| TDHCA Board Meeting                 | 06/29/17 | Presentation to the TDHCA Governing Board regarding progress on planning and discussion.  |
| 8 <sup>th</sup> 2018 QAP Meeting *  | 07/26/17 | Location: Stephen F. Austin Building, Room 170<br>Time: 2:00 to 5:00<br>Subject: Threshold Criteria<br>*Subject to Cancellation   |
| TDHCA Board Meeting                 | 07/27/17 | Presentation to the TDHCA Governing Board regarding progress on planning and discussion.  |
| 9 <sup>th</sup> 2018 QAP Meeting *  | 09/06/17 | Location: Stephen F. Austin Building, Room 170<br>Time: 2:00 to 5:00<br>Subject: Tenant Services and Compliance requirements<br>*Subject to Cancellation                          |
| TDHCA Board Meeting                 | 09/07/17 | Presentation to the TDHCA Governing Board regarding progress on planning and discussion.  |
| 10 <sup>th</sup> 2018 QAP Meeting * | 10/11/17 | Location: Stephen F. Austin Building, Room 170<br>Time: 2:00 to 5:00<br>Subject: TBD<br>*Subject to Cancellation  |
| TDHCA Board Meeting                 | 10/12/17 | Presentation to the TDHCA Governing Board regarding progress on planning and discussion.  |
| TDHCA Board Meeting                 | 11/09/17 | Presentation to the TDHCA Governing Board regarding progress on planning and discussion. (Time to send to Governor)   |
| TDHCA Board Meeting                 | 12/14/17 | Presentation to the TDHCA Governing Board regarding progress on planning and discussion.  |

As much as practically possible, amendments contemplated for proposal to the Board will be presented to stakeholders after they have been thoroughly reviewed by TDHCA, including Legal Services, for compliance with statutory and regulatory requirements and compliance with TDHCA Board housing policy. It is expressly pointed out that Board policy may evolve and change in this process. As the meetings progress it is likely that the Board will be asked to dig into different policy objectives and weigh in on the objectives it directs staff to pursue. Possible

amendments that impact scoring will be added to a draft Scoring Matrix, so that impacts can be fully understood in context as they are developed and considered.

In the case of proposed changes that will significantly impact the development process, TDHCA staff may suggest a phased approach to implementation so that stakeholders are able to effectively plan for implementation.

Changes to the 2018 QAP and other Multifamily Rules will be discussed at Application Workshops in early December 2017, so that Applicants are able to understand and effectively manage the application and development process.

This Project Plan will change over the course of 2017, as needs or priorities are identified and addressed. Schedules regarding individual topics may expand or contract as necessary to accommodate stakeholder input and staff priorities.

## COMMUNICATIONS MANAGEMENT PLAN

The Communications Management Plan sets the communications framework for this project. It will serve as a guide for communications throughout the life of the project and will be updated as communication requirements change. This plan identifies and defines the roles of stakeholders, staff and the Board as they pertain to communications. It also includes a communications matrix which maps the communication requirements of this project.

| Communication Type               | Description                                     | Format    | Participants/<br>Distribution | Deliverable   |
|----------------------------------|---|-----------|-------------------------------|---|
| Periodic Status Report           | Summary of project status                       | Website   | Multifamily Finance           | Status Report   |
| Monthly Project Meeting          | Meeting to discuss scheduled topic              | In Person | All                           | Meeting Summary   |
| Special Project Meeting          | Meeting to discuss specific topics              | In Person | All                           | Meeting Summary   |
| Status Report to Governing Board | Report on Project progress, request Board input | In Person | TDHCA staff and Board         | Board report, Action Request as needed                                    |
| Website                          | Posting of Meetings and Materials               | Website   | Multifamily Finance           | Resource for Project participants   |
| Online Forum                     | Method for gathering stakeholder input          | Website   | All                           | Input regarding specific topics to be integrated into rule making process |

While informal communication is a part of every project and is necessary for successful project completion, any issues, concerns, or updates that arise from informal discussion between TDHCA staff and stakeholders will be communicated to the larger group so that the appropriate action may be taken.

## **COST MANAGEMENT PLAN AND OUTREACH**

TDHCA has limited resources available to rent meeting space, provide hard copy materials, or travel to areas outside Austin. Wherever possible, meeting spaces that are available without charge will be utilized. Meeting participants will be requested to provide their own copies of materials.

As described in the Communications section, the project will provide opportunities for stakeholders that are not able to attend meetings to provide input. Division staff plan to conduct meetings in geographic areas outside of Austin as travel schedules and budgets allow.

## **PROJECT SCOPE MANAGEMENT PLAN**

Scope management will be the responsibility of the Multifamily Finance Division. Approval and acceptance of the project results, in the form of the 2018 QAP and Multifamily Rules, rests with the TDHCA Governing Board. Other TDHCA divisions, such as Asset Management or Real Estate Analysis, which may be impacted by the initial scope and subsequent change, will be consulted throughout the process. The Multifamily Finance Division staff will be responsible for updates to the Project Plan and related documents.

While stakeholder input is crucial to the successful completion of the 2017 QAP project, TDHCA staff must endeavor to accommodate the needs and priorities of all groups.

## **SCHEDULE MANAGEMENT PLAN**

Meeting schedules and topics will be regularly posted to the TDHCA website, via the listerv, and through social media. Once the initial schedule has been established, necessary resources will be assigned, and the results reviewed and approved prior to posting. Schedules will be updated as the project evolves, and updates will be posted to the TDHCA website.

## **QUALITY MANAGEMENT PLAN**

Quality management, including ensuring all tasks, processes, and documentation are compliant with the plan, will be the responsibility of the Multifamily Finance Division Director.

All Multifamily Finance Division staff will play a role in quality management throughout the life of the project. Regular reviews of proposed QAP amendments for reasonable applicability and impact on the review process will be conducted as the project progresses.

The stakeholders will be responsible for assisting TDHCA staff in the establishment of acceptable quality standards. They will also provide input on the reasonable applicability of proposed amendments, and communicate any concerns regarding quality to the Multifamily Finance Division Director.

## **STAFFING PLAN**

Key TDHCA staff members working on the 2018 QAP and Rules Planning Process include:

### **Asset Management**

Director of Asset Management

### **Compliance**

Chief of Compliance

Director of Multifamily Compliance

### **Executive Team**

Executive Director

Deputy Executive Directors

Chief of External Affairs

### **Fair Housing & Data Management**

Fair Housing Project Manager

Program Data Specialist

### **Legal**

General Counsel

Federal Compliance Counsel

### **Multifamily Finance Division**

Multifamily Finance Director

Multifamily Finance Manager

Housing Tax Credit Administrator

Multifamily Direct Loan Program Administrator

Multifamily Policy Research Specialist

### **Real Estate Analysis**

Director of Real Estate Analysis