

Technical Advisory



Date: November 10, 2015

To: Multifamily Partners and Stakeholders Lists

Subject: 2016 Qualified Allocation Plan: Public Comment Period Delayed

Dear Stakeholders:

On Friday, November 6th, the State Housing Council met to hear testimony and consider the latest draft of the 2016 Qualified Allocation Plan (QAP). At that meeting, they heard testimony from stakeholders about the following areas:

- Developer Fee
- Asset Management Fees as funded Operating Expenses
- Resident Services as funded Operating Expenses
- Acquisition/rehabilitation or current affordable housing portfolio recapitalization strategy
- Underutilization of 4% LIHTC program

Those who testified regarding the Developer Fee did not want to see additional limitations on fee methodology and also brought up the idea of a more graduated approach that does not disadvantage smaller projects. The Council felt that a more graduated fee structure might be a promising method for determining reasonability and wanted to take time to further consider the developer fee methodology.

Several individuals testified about the importance of asset management and resident services being funded through the operational budget of the housing projects. While line item specifics like this are not raised in the QAP, those testifying requested that such language be added to the plan or that the Council weigh in on the policy question. The Council was interested in learning more about these definitions and sources to support these costs as they balance policies with unit production goals and service funding through community-based organizations rather than project owners.

Additional testimony requested that OHCS identify a comprehensive rehabilitation and recapitalization strategy for the state's existing housing portfolio, which the Council was interested in discussing in future meetings. In addition, the Council was interested in learning more about the underutilization of the State's private activity bond volume cap that can be utilized to create units using 4% LIHTCs, an issue which was raised by stakeholders. More information about these issues will be brought to the Council in future meetings.

Because of the remaining open questions and resulting additional work needed to address Council inquiries, OHCS will not be posting the 2016 QAP for formal public comment that was anticipated to occur on November 9th, 2015 and **the public hearing on the 2016 QAP which was scheduled for Monday, November 16, 2015 from 2:30 p.m. to 4:00 p.m. has been cancelled until further notice.**

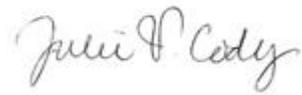
OHCS will be reaching out to the State Housing Council to determine next steps, engagement with stakeholders and timing for the QAP. As mentioned at the meeting on Friday, November 6th, based on the delay in the finalizing the QAP, the 2016 LIHTC NOFA will not be ready to issue in January of 2016. We will provide an update as to the estimated timing of the 2016 LIHTC NOFA as soon as possible.



You can view the current draft QAP and additional information about the process to revise it on the OHCS website at: <http://www.oregon.gov/ohcs/Pages/outreach-qap-qualified-allocation-plan.aspx>, as well as the most recent technical advisory notice here: <http://www.oregon.gov/ohcs/DO/technical-advisories/2015/10-09-15-Multifamily-Technical-Advisory.pdf>.

Thank you for your continued participation in this process as we continue to develop the best QAP possible in the pursuit of a clear and predictable LIHTC program.

Sincerely,



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