

# HOUSING STABILITY COUNCIL



## QUALIFIED ALLOCATION PLAN

**JANUARY 8, 2016**

Oregon Housing and Community Services

# QAP Ad-Hoc Workgroup



- Convened an Ad-Hoc Workgroup to address outstanding QAP issues following November State Housing Council Meeting

External Participants:

- Doug Chrisman, Chrisman Development
- Ed McNamara, Turtle Island Development
- Jacob Fox, Housing and Community Services Agency of Lane County
- Jason Elzy, Housing Authority of Jackson County
- Mark Shelburne, Novagradac
- Rob Roy, Pacific Crest Group
- Sean Hubert, Central City Concern and Oregon ON
- Sarah Stevenson, Innovative Housing Inc, Oregon ON

# QAP Ad-Hoc Workgroup



- Reviewed:
  - Developer Fee
  - Recapitalizations of Projects Previously Funded with 9% LIHTCs
  - Resident Services and Asset Management Fees
  - Gap funding Mechanisms
  - 4% LIHTC Program

# Developer Fee



- Identified consensus methodology which appears to successfully set a parameter for reasonability:
  - Removes acquisition cost and valuation from the calculation
  - Is graduated based on project size
  - Does not serve as a disincentive for 4% LIHTC
  - Acknowledges the work of acquisition for rehab projects
  - Acknowledges the work of Preservation acquisition

# Developer Fee



## Developer Fee **PLUS** Consultant Fee

Total Project Cost **MINUS** Acquisition, Developer Fee, Consultant Fee, Capitalized Reserves

Project Size	9% LIHTC New Construction	9% LIHTC Acquisition/Rehab	4% LIHTC New Construction	4% LIHTC Acquisition/Rehab
<31 Units	18%	20% + \$4,000/unit OR + \$5,500/unit for Preservation	20%	22% + \$4,000/unit OR + \$5,500/unit for Preservation
31-75 Units	16%	18% + \$4,000/unit OR + \$5,500/unit for Preservation	18%	20% + \$4,000/unit OR + \$5,500/unit for Preservation
76-100 Units	14%	16% + \$4,000/unit OR + \$5,500/unit for Preservation	16%	18% + \$4,000/unit OR + \$5,500/unit for Preservation
100+ Units	12%	14% + \$4,000/unit OR + \$5,500/unit for Preservation	14%	16% + \$4,000/unit OR + \$5,500/unit for Preservation

# Additional Ad-Hoc Workgroup



- **Recapitalizations of Projects Previously Funded with 9% LIHTCs**
  - Accepted; Will only apply to projects allocated 9% LIHTCs in 2016 & beyond
- **Asset Management Fees**
  - Understood that good asset management practices are good for existing portfolio
  - Committed to adding a line item to the pro forma for project based asset management expenses in the 2016 NOFA
  - OHCS to convene a work group to set standard definitions and reasonableness standards
  - Not an item to be covered in the QAP
- **Resident Services**
  - Continue to allow reasonable resident services in the operating budget in 2016 NOFA
  - OHCS to convene a work group that may result in a policy recommendation to HSC
  - Not an item to be covered in the QAP
- **Gap funding Mechanisms**
  - OHCS to convene a work group to get input before making any changes to the current grant programs
  - Recommendation for these discussions will be a 0% interest, no payment until maturity or refinance loan structure
- **4% LIHTC Program**
  - OHCS to convene a work group that would result in recommendations for programmatic improvements and processes that streamline the use of the 4% LIHTC Program

# Next Steps



- If authorized, stakeholders will be able to engage in the formal public comment period as well as the public hearing held during that period, anticipated to be **January 11 through February 10, 2016**.
- Between **February 11 and February 24, 2016**, OHCS staff review all comments received during the formal public comment period and make a recommendation as to whether or not to make changes to the 2016 QAP based on comments.
- OHCS staff would then bring the final 2016 QAP to the Housing Stability Council on **March 4, 2016** for authorization to get Governor to execute the 2016 QAP.
- OHCS staff to finalize and release 2016 LIHTC NOFA within **60 days** from executed 2016 QAP, after temporary OARs are in place and NOFA revisions are made.



# DISCUSSION

Oregon Housing and Community Services