



2022 and 2023 Qualified Allocation Plans (QAPs)

Project Plan

May 13, 2021

IMPORTANT DISCLAIMER: THIS PROCESS IS INTENDED TO ENABLE STAKEHOLDERS AND STAFF TO PROPOSE AND DEVELOP IDEAS AND CONCERNS TO BE CONSIDERED IN THE DEVELOPMENT OF THE QAP AND OTHER APPLICABLE RULES FOR 2022 and 2023. THE OFFICIAL PUBLICATION OF A BOARD APPROVED DRAFT FOR PUBLIC COMMENT WILL OCCUR IN ACCORDANCE WITH THE STATUTORILY ESTABLISHED CALENDAR IN FALL 2021 and 2022.

INTRODUCTION

The purpose of this project is to solicit and discuss ideas to be considered for inclusion in the 2022 and 2023 QAP and the Rules. The ultimate deliverables for this project are QAPs and other multifamily rules that clearly articulate TDHCA housing policy as established by the Governing Board through threshold and scoring criteria, and also addresses state and federal requirements. TDHCA staff welcomes an open discussion with stakeholders in affordable housing across the state of Texas.

As the Department has begun to use this more formalized QAP development process, a consistent request from Applicants has been for a two-year QAP. A longer term QAP would create greater stability for Applicants, in that they can begin their site selection process for each round without concerns regarding new or changed scoring or threshold criteria with negative impact. In addition, some proposed changes may require longer to fully and thoughtfully consider prior to implementation. Due to our biennial legislative calendar, changes to the QAP driven by statute will generally happen in even-numbered years. In light of these considerations, this plan includes goals for both the 2022 and 2023 QAPs. If statutorily required to shift to a two-year QAP, the QAP will be adopted in 2022 reflecting any legislative changes and then no QAP changes will be made in 2023 except to the extent necessary to respond to federal required changes, update citations to other state laws or regulations, or as permitted by statute.

The process will continue to include QAP discussion meetings as possible in light of pandemic restrictions and the limitations of available technology, outreach efforts so that stakeholders who are not able to attend meetings will have an opportunity for input, and focused meetings with stakeholders with specific needs and insights. Groups may be convened to address specific topics, particularly to address statutory changes. Local and regional experts in affordable housing may be requested to present findings at meetings, and staff may conduct and contribute their own research on select issues.

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 reports to the Board so they have regular progress updates 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 various subject matter experts may be invited to participate in online 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 2022 QAP and in some cases will be carried forward to the 2023 QAP. Staff will also solicit feedback through more flexible means. Possible media include online polls, website forums, and focus groups.

It is anticipated that the process for the 2022 QAP will continue through August 2021, and that a staff draft of the 2022 QAP will be available in early fall 2021. The same timing will apply to the 2023 QAP, if applicable, incorporating changes discussed over the two years previous and any changes required by statute. Specific sections of the QAP may be drafted and made available for informal comment throughout the process, in order to provide for the most effective possible feedback on those items.

It is important to note that statutory changes made by the 87th Legislature, or statutory/regulatory changes made at the federal level, may postpone or prevent completion of the changes described in the Project Scope.

PROJECT SCOPE

The scope of the project will include the planning and development of specific topics to be considered for amendment in the 2022 and 2023 QAP and Rules, and potentially later editions. While it is anticipated that the process will be completed prior to publication of the staff draft and presentation of the QAP to the Board in September 2021, this is an ever-evolving process and there may be items that will be continued into subsequent years. Other parts of the TDHCA multifamily rules may be included in the project as needed.

The project will, in certain matters, rely heavily on data gathered from external sources. Sources may include (but will not be limited to) Census and American Community Survey data, reputable research centers, and best practices from other organizations or states. Internal data may include TDHCA's Compliance Monitoring and Tracking System (CMTS), data from cost certifications compiled by the Asset Management Division, and data gathered from previous application rounds. To the greatest extent possible, data applied to the QAP will come from readily-accessible nonpartisan public sources or aggregators of those sources.

Based on previous conversations, staff's research, and policy directions from the Governing Board, staff proposes the following topics as the initial points of departure as the Division and stakeholders begin composing the 2022 and 2023 QAP and Rules:

2022 QAP Planning topics

- 1) Sponsor Characteristics
 - a) Qualified Nonprofit Organization definition
 - b) Historically Underutilized Businesses
 - c) Service providers
- 2) Natural Disaster and Rapid Response Preparedness for Sustainable Developments
 - a) Geographic Impact
 - b) Infrastructure Optimization

- c) Threshold Scoring and measures
- d) Weatherization
- e) Energy Efficiency
- 3) Scoring Items
 - a) Proximity to Job Areas
 - i) Proximity to Urban Core
 - ii) Proximity to Jobs
- 4) Changes necessary to implement the streamlined noncompetitive 4% Housing Tax Credit process

2023 QAP Topics

- 1) Preservation
 - a. Extended Affordability
 - b. Right of First Refusal
 - c. Re-syndication
- 2) Concerted Revitalization Plan

SCHEDULE

Early Summer of 2021, staff will invite individuals to participate in several discussions regarding Sponsor Characteristics, HUBs, Qualified Nonprofits and the Applicants who have worked with those groups will be asked to participate. We will also hold focus groups for more specific discussions relating to the QAP throughout 2021; staff invites individuals and interest groups to participate in these focus groups.

An initial planning meeting for the 2022 QAP will be announced by TDHCA in June with details for the planning process. This will include registration information that will be sent via listserv email. The agenda for that meeting will be posted to the Department's website, and will become the tool to gather input initially on the forum. Working groups to consider specific topics may be determined at that initial meeting, but may be modified as the need arises. Meeting schedules and topics will be regularly posted to the TDHCA website, via the listserv, calendar and through social media. Schedules will be updated as the project evolves, and updates will be posted to the TDHCA website.

Rule changes contemplated for proposal to the Board will be presented to stakeholders after they have been thoroughly reviewed by TDHCA staff, including Legal Services, for compliance with statutory and regulatory requirements and compliance with TDHCA Board housing policy.

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.

COMMUNICATIONS PLAN

Information regarding the ongoing work of the Project Plan will be provided in the most transparent manner possible. Due to the ongoing pandemic of Covid-19, TDHCA will not host any in person meetings or focus groups for the foreseeable future. TDHCA will continue to host events digitally and through conference call phone numbers until further notice. TDHCA will provide detailed information for anyone wishing to register to join discussions and submit public comment before scheduled discussions.

Communication Type	Description	Format	Participants/ Distribution	Deliverable
Project Meetings	Meeting to discuss scheduled topic	Online	All	Meeting Summary
Status Report to Governing Board	Report on Project progress	In Board Materials	TDHCA staff and Board	Board report or 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
Online Polls	Method for gathering stakeholder input	Website	ALL	Input regarding specific topics to be integrated into rule making process
Focus Groups	Subjected-oriented meeting to discuss scheduled topic	Online	Subject Stakeholders	Meeting Summary

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.