



2017 Qualified Allocation Plan

Project Plan

January 27, 2016

Meeting Agenda

- 1) Project Plan updates
 - a) Changes from December 2015 meeting
- 2) Update on any third party source materials, studies, etc. that might be relevant or useful in the development of the 2017 QAP.
- 3) Topics outlined at December 2015 meeting
 - a) Objective measures
 - b) Local issues
 - c) Rural/Urban
 - d) Employment impact
 - e) Access
- 4) Comments received on 2016 QAP Concerted Revitalization Plan section
- 5) Possible items for Board meeting of February 25, 2016
- 6) Future meetings
 - a) Additional topics?
 - b) Location and Schedule

Comments received on 2016 QAP Concerted Revitalization Plan section

24. §11.9(d)(7) – Selection Criteria – Concerted Revitalization Plan (3), (10), (21), (22), (26), (31), (32), (34), (35), (36), (45), (51), (89)

COMMENT SUMMARY: Commenter (3) expressed concern regarding the level of subjectivity relating to “sufficiently mitigated and addressed prior to the Development being placed in service” and further asserted that such language will only benefit neighborhoods that are at the end of their revitalization efforts. Commenter (3), (34) suggested the 2015 language with respect to this scoring item be reinstated. Similarly, commenter (10), (51) suggested that investment in affordable housing at the end of the revitalization process negates the positive impact such housing can have on an area that is on a positive revitalization trajectory and could make the purchase of the land impractical due to rising land costs in an area nearing the end of its redevelopment cycle. Commenter (10), (51) offered the following modification to this item:

“(IV) The adopted plan must have sufficient, documented and committed funding, to the extent allowed by law or ordinance, to accomplish its purposes on its established timetable. This funding must have been flowing in accordance with the plan, such that the problems identified within the plan can reasonably be expected to be mitigated within a period of time commensurate with the plan’s timeline prior to or after the Development has been placed into service.”

Commenter (10) disagreed with the manner in which points will be awarded; specifically that a city or county can only indicate one development as most significantly contributing to revitalization efforts in the area. Commenter (10) asserted that this underestimates the revitalization needs of urban areas and further offered the following modification:

“(ii) Points will be awarded based on:

(I) Applications will receive four (4) points for a letter from the appropriate local official providing documentation of measurable improvements within the revitalization area based on the target efforts outline in the plan; and

(II) An urban classified city or county may identify no more than three (3) Developments during each Application Round for the additional points under this subclause.”

Commenter (22), (32) expressed support for effectiveness at which the opening paragraph establishes the expectations of the characteristics of a revitalization area. Commenter (22) requested clarification with respect to the following sentence under subclause (III) relating to urban developments “In addition, but not in lieu of, such a plan may be augmented with targeted efforts to promote a more vital local economy and a more desirable neighborhood, including but not limited to...” Specifically, whether this sentence means that the city or county has programs/activities in progress that can be documented by are not necessarily described in the plan document?

Commenter (26) expressed disagreement with the proposed changes to this scoring item, specifically, the delegation of such revitalization plans with the municipalities which is without standards for the conditions that must be addressed and without standards for the measurable improvements upon which the points are to be awarded. Commenter (26) suggested that the proposed language will allow for continued segregation in areas of slum and blight by making improvements that do not address significant elements thereof. By way of example, commenter (26) illustrated that a revitalization plan that calls for new sidewalks in an area of slum and blight could receive points even if there is partial completion of such sidewalk replacements. Commenter (26) asserted that there is no obligation to address other elements of slum and blight in order to achieve the points.

Commenter (32) asserted that the framework of the scoring item lacks objective benchmarks and will become just another “letter from a local official,” promising that the area is already looking better and will be great by the time the development is placed in service. Considering the fact that the local official can choose the measuring improvements to be used for documentation invites gaming of the process. To that end, commenter (32) recommended the Department look to three metrics over the past 3 years: census tract poverty, census tract income, and neighborhood land values relative to Place (Appraisal District) and that points under this scoring item should be awarded only if an application demonstrates a statistically significant improvement on two of these metrics over the 3 year timeframe since the date of the adoption of the revitalization plan. Commenter (32) acknowledged that this timeframe is longer than is currently proposed, it recognizes that true revitalization takes an extended commitment in local and private resources.

Commenter (31), (36) stated identified concerns regarding the subjectivity of this scoring item and recommended the modifications below to add specificity.

“(A) For Developments located in an Urban Area.

(i) An Application may qualify to receive up to six (6) points if the Development Site is located in an area that has been identified by the municipality or county as needing concerted revitalization, and where a concerted revitalization plan has been developed and adopted. The area targeted for revitalization must be larger than the assisted housing footprint and should be a neighborhood or small group of contiguous neighborhoods with common attributes and problems but smaller than the municipality or county as a whole. The concerted revitalization plan should meet the criteria described in subclauses (I) - (IV) of this clause:

(I) The concerted revitalization plan must have been adopted by the municipality or county in which the Development Site is located prior to the pre-application deadline.

(II) The problems in the revitalization area must have been identified through a process in which affected local residents had an opportunity to express their views on problems facing the area, and how those problems should be addressed and prioritized. These problems may include the following:

(-a-) long-term disinvestment, such as significant presence of residential and/or commercial blight, infrastructure neglect such as inadequate drainage, and streets and/or sidewalks in significant disrepair;

(-b-) declining quality of life for area residents, such as high levels of crime or overt illegal activities; and/or

(-c-) lack of community assets that provide for the diverse needs of the residents such as access to supermarkets or healthy food centers, parks and activity centers.

(III) Staff will review the plan for targeted efforts within the plan to address the problems identified within the plan. In addition, but not in lieu of, such a plan may be augmented with targeted efforts to promote a more vital local economy and a more desirable neighborhood, including but not limited to:

(-a-) attracting private sector development of housing and/or business;

(-b-) developing health care facilities;

(-c-) providing public transportation;

(-d-) developing significant recreational facilities; and/or

(-e-) improving under-performing schools.

However, this supplemental information may not take the place of an adopted plan meeting the requirements I, II and IV of this section. The supplemental information may only provide evidence of plan goals and activities being carried out by the municipality or the county or funds being committed for the plan purposes.

(IV) The adopted plan must identify sufficient and documented funding sources to accomplish its purposes on its established timetable. This funding must have commenced at the time of Application submission.

(ii) Points will be awarded based on:

(I) Applications will receive four (4) points for a letter from the appropriate local official certifying the identified revitalization area, that the development is located within the revitalization area, and that the plan meets the requirements of subsections I, II and IV of this section; and

Commenter (31) indicated that in order to support the revitalization efforts in large cities, this scoring item should be modified to allow a city to designate more than one development as significantly contributing to revitalization, as reflected in the following:

(II) Applications may receive (2) points in addition to those under subclause (I) of this clause if the Development is explicitly identified by the city or county as contributing significantly to the concerted revitalization efforts of the city or county (as applicable). A city or county may identify no more than three Developments during each Application Round for the additional points under this subclause. A resolution from the Governing Body of the city or county that approved the plan is required to be submitted in the Application (this resolution is not required at pre-application). If multiple Applications submit resolutions under this subclause from the same Governing Body, then not more than three of the Applications shall be eligible for the additional points. A city or county may, but is not required, to identify a particular Application(s) as contributing significantly to concerted revitalization efforts.”

Commenter (45) suggested modifications as provided below that could address instances where cities may develop a revitalization plan in response to a natural disaster, which they believed would still align with the overall policy objective behind the scoring item.

“(II) The problems in the revitalization area must be identified through a process in which affected local residents had an opportunity to express their views on problems facing the area, and how those problems should be addressed and prioritized. These problems may include the following:

(-a-) commercial blight, streets and/or sidewalks in significant disrepair;

(-b-) long-term disinvestment, such as the significant presence of residential and/or declining quality of life for area residents, such as high levels of violent crime, property crime, gang activity, or other significant criminal matters such as the manufacture or distribution of illegal substances or overt illegal activities;

(-c-) destruction of property as a result of a natural disaster.

(IV) The adopted plan must have sufficient, documented and committed funding to accomplish its purposes on its established timetable. While it will generally be expected that this funding would have been flowing in accordance with the plan, such that the problems identified within the plan will have been sufficiently mitigated and addressed prior to the Development being placed into service, plans that are more recently adopted due to events that created cause for such a plan may be considered if sufficient evidence is provided to indicate that it is reasonable to expect that the goals of the plan will be able to be met.”

Commenter (32) expressed the opinion that developing health care facilities under (A)(i)(III)(-b-) of this scoring item does not augment a desirable neighborhood and further stated that there is a long tradition of relegating clinics and public hospitals to areas with low land values and few residential amenities. As a result, commenter (32) recommended this option be deleted from this scoring item.

Commenter (21) indicated that while they are in agreement that concerted revitalization in a rural area is separate and distinct from an urban area, they expressed an objection to the disparity in points and recommended the scoring be adjusted, without increasing the requirements, so that revitalization in both areas would yield the same point value.

Commenter (35) asserted that the proposed changes to this scoring item are too restrictive and further suggested that HUD's Site and Neighborhood standards guidance would be helpful in drafting this scoring item that is consistent with HUD's interpretation of the Fair Housing Act. Commenter (35) further added that HUD has always carved out an exception for revitalizing areas in the Site and Neighborhood Standards and that examples of such areas can be found in 24 CFR 983.57(e)(3)(vi). These "revitalizing areas" as defined by HUD would capture those gentrifying areas where there is revitalization and significant private investment; therefore, commenter (35) urged the Department to adopt HUD's definition of a revitalizing area as qualifying for full points under this scoring item.

Commenter (89) expressed concern over the possibility for applicant's to orchestrate the development of a revitalization plan to receive points, despite the proposed changes. In an effort to prevent this, commenter (89) suggested this scoring item be modified such that only revitalization plans that show true community input should be eligible for the points; simply showing evidence that notice has been given to the public does not constitute public input. Further, if no one in the community is interested in providing comments, it is unlikely that the plan represents a legitimate need or effort to revitalize the area. Moreover, commenter (89) suggested that plans less than 6 months old should not be accepted, but that the plans must have started at least 6 months prior to the application deadline; and lastly, there should be no involvement on the part of any member of the Development Team in the formulation of such plan; it must be developed at the direction of the local government and without involvement of the applicant.

STAFF RESPONSE: Staff agrees with the additional clarification regarding infrastructure neglect as recommended by commenter (31), (36) and has made the change accordingly.

In response to commenter (10) and (31), staff believes that identifying only one development as most significantly contributing to the concerted revitalization efforts of the city or county where the area being revitalized continues to be appropriate. Allowing for the scoring boost for multiple revitalization-based developments represents a potential impetus for rapid concentration and a disproportionate utilization of limited resources. Furthermore, staff is concerned that the failure to achieve an award for all of the developments identified as most significantly contributing could undermine the ability to sufficiently mitigate issues identified in the plan prior to the subject development being placed into service.

In response to commenter (26), staff agrees that the example provided of sidewalk replacement could be considered part of a revitalization plan for some fund sources and programs, but believes that this is not the case for this scoring item. The described revitalization plan would not meet the requirements of this section.

In response to commenter (32), staff believes that the suggested measures would not provide a reliable measurement of the impact of all concerted revitalization plans. The measurements could be used to support the application for this scoring item.

In response to commenters (31), (36), staff believes that the section as drafted provides sufficient description of the requirements for an acceptable revitalization plan without removing necessary flexibility.

In response to commenter (45), developments in counties that have been proclaimed disaster areas within the preceding three years already have a scoring incentive. Further, staff believes that disaster recovery is not a revitalization effort.

In response to commenter (32), no evidence was provided to support the comment that health care facilities do not augment a desirable neighborhood, and in fact, proximity to medical care is a community asset in other scoring items. Staff believes that the example is appropriate.

In response to commenter (21), the concerted revitalization plan described for urban areas supports local efforts to remove longstanding blighting influences in specific areas, while the measures for rural communities address efforts to create continued economic growth. Because these are 2 distinct requirements, staff believes the scoring is appropriate.

In response to commenter (35), while HUD's Site and Neighborhood standards guidance, generally, may contain useful measures and definitions, staff believes that the proposed rule more appropriately addresses this issue. Further, the depth of analysis required to determine if a wholesale adoption of federal guidance in this area is appropriate in all cases, and achieves the purposes of the rule, exceeds the time constraints of this rule-making proposal. Finally, the extent of the changes to the scope of the proposed rule as suggested by the Commenter, and incorporation of the HUD Site and Neighborhood Standards and/or the HUD definition of "a revitalizing area," would require renewing the rule-making process and re-publication prior to adoption.

In response to commenter (89), staff believes that imposing requirements on units of local government that impact the way they conduct business would be overreaching and inappropriate.