



## Office of the Mayor

October 10, 2012

Mr. Robert Kucab, Executive Director  
North Carolina Housing Finance Agency  
3508 Bush Street  
Raleigh, NC 27609-7509

RE: Comments on NCHFA Draft 2013 QAP for the Low Income Housing Tax Credits (LIHTC)

Dear Mr. Kucab:

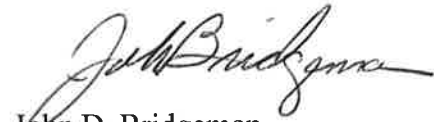
The City of Gastonia and a devoted group of our citizens are involved with ArtSpace USA in pursuit of affordable live/work housing for lower income artists in the Gastonia market area. We believe that such a project will provide not only needed affordable housing opportunities to talented, yet lower income, artists in our market area, but also serve to strengthen the continuing revitalization of our central city and its emerging arts economy by creating an energetic hub for an arts-based economy. ArtSpace projects not only provide artists affordable housing, but also in-home working space to support their arts income while growing and sharing their skills in an apartment community of other artists.

ArtSpace USA, America's leading nonprofit developer of artist housing, has 36 projects completed or under development in 21 states, <http://www.artspace.org/properties/livework.html>. They have conducted two pre-development studies in Gastonia including Preliminary Feasibility and Market Survey/Research. The results of these studies show that we have multiple appropriate locations and a substantial market to support an ArtSpace project of live/work units.

Most of ArtSpace's projects involve LIHTC as the single largest funding source. As you may know, Section 3004 (a)(9)(C) of the Housing and Economic Recovery Act of 2008 (HR3221), clarifies the LIHTC "General Public Use Requirement" to allow states to make LIHTC awards to projects that favor tenants "who are involved with artistic or literary activities." While a number of states have incorporated this provision into their QAP, it is our understanding that North Carolina Housing Finance Agency has not. The City of Gastonia respectfully requests that

NCHFA amend its Draft 2013 QAP to incorporate this provision. By so doing, it will make projects that provide residential units intended for lower income artists eligible to compete for LIHTC funding in North Carolina. We believe that such a policy change will further the purposes of lower income housing, community revitalization, and economic development through the growth of our local arts economy.

Sincerely,



John D. Bridgeman  
Mayor

PC: Scott Farmer, NCHFA Dir. of Rental Programs  
Merryman Cleveland, Gaston Chamber of Commerce  
Dr. Richard Rankin  
Ed Munn, City Manager  
Jack Kiser, City Special Projects Executive