Chris Austin

From: Traci Dusenbury [tdusenbury@halconcompanies.com]
Sent: Monday, October 22, 2012 5:04 PM
To: Scott Farmer; Chris Austin
Subject: QAP 2013 comments

Scott and Chris,

Thanks for your hard work on the 2013 QAP draft and for the opportunity to submit comments. My comments regarding the Draft 2013 QAP are as follows:

1) Please consider changing proximity to amenities to <.7 for maximum points for grocery and pharmacy/shopping. <.5 is too restrictive and let's face it, most people will be driving due to the difficulty of carrying bags or pushing a shopping cart to their housing communities.
2) Please do not deduct 3 points for convenient access to the property due to a right turn of the property only. This is typically the case when there is a traffic issue or a median and in some cases, a right turn out makes it much safer for the residents. There are many great sites that can only allow a right turn only, particularly if you want us closer to shopping/amenities.
3) Please allow any grocery store or pharmacy to count, not just the "name brand" ones because we should support housing that will help local family-owned businesses and "Mom and Pop" shops stay in business.
4) Please continue to allow the basis boost because in re-running my numbers for my 2012 projects without it, many do not work and are simply not feasible.
5) Please do not decrease the RPP loan amount per project, particularly if you are disallowing the discretionary basis boost. These two hits together make projects very difficult to underwrite.
6) Please allow 2 projects per county, instead of one. As you know, there are many different primary market areas in each county. Additionally, each PMA could usually handle a senior and a family property each year. Also, allowing only one project per county could make it even more competitive between developers and I'm not so sure this will end up being a good thing for the program.
7) The tiebreaker criteria of the lowest credits per unit bothers me first of all, because you are encouraging developers to cut corners, have lower building costs, and reduced project quality. This also pushes developers to build more units to spread the costs. Additionally, it worries me because Counties that are designated as QCT's or DDA's are automatically eligible for a boost so that it is easier to develop in those Counties, but if you lose points for using the boost, then what's the point? If developers have to build more units to make a project feasible, then more than likely, developers will not be going to the counties that are DDA's or the ones that haven't had projects before because of the economics. I would rather see design criteria added back into the scoring more significantly to enhance properties and mortgage subsidies, instead of encouraging a reduction in quality.
8) Remove the deep rent targeting requirement for below 50% units. It is very difficult to make projects work with these units, particularly if the discretionary basis boost and 9.0% rate lock are not extended.
9) I just have to say that I don't agree with the NC contractor requirement. Developers should be allowed to hire any third parties they choose, regardless of where they are located. I would hate to see this as a precedent for NCHFA to dictate that all third parties should be in NC.
10) Please consider allowing a more frequent processing cycle for 4% bond transactions, to quarterly or twice a year at least. This would be helpful to developers who have to turn down opportunities because of the timing of the application cycle.

Thanks,

Traci

HALCON
COMPANIES LLC

Traci M. Dusenbury
Developer / Owner

o: (804) 272.2009
c: (919) 741.9328
f: (804) 367.5809

tdusenbury@halconcompanies.com
2306-A West Main St., Richmond, Virginia 23220

development | real estate | consulting

Chris Austin

From: Traci Dusenbury [tdusenbury@halconcompanies.com]
Sent: Tuesday, October 23, 2012 3:55 PM
To: Scott Farmer; Chris Austin
Subject: More 2013 QAP comments

Just wanted to add a few more comments:
In thinking more about redevelopment projects, I understand local governments' and housing authorities' desire to redevelop older communities that may not be close to new shopping centers and as former Planner myself and as a Developer, I think this is important. Leveraging Housing Choice funds, HUD RAD funds, and CDBG Catalyst program funds in conjunction with tax credits should be possible to help each program and to spread resources. I would recommend that you consider creating a "redevelopment pool" and fund 1 project per geographic region for a total of 4 or you could add one additional at-large project which could come from any region and would be the next highest scoring project. In this pool, proximity to services would not be important and being close to railroad tracks should not be scored. Instead you could judge local government support and dollars spent/committed in that surrounding area and to the project, donated land, Section 8, and linkages to existing services and human service agencies in the community, transportation maybe, and the leveraging of resources including all those mentioned above as well as City funds, HOME, CDBG and FHLB funds. In this pool, developers who partner with local governments or housing authorities should only have 1/2 of the credits count against their credit cap. Partnerships are very important for these redevelopment projects and with the limited number of credits/projects a developer can do, this would encourage developers to partner. Projects in this pool should definitely not count toward the 1 project per County or County credit caps.

Thanks,
Traci Dusenbury
Halcon Companies, LLC
919-741-9328
tdusenbury@halconcompanies.com