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Principal and CEO



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September 7, 2012

Mr. Scott Farmer  
Director of Rental Investments  
North Carolina Housing Finance Agency  
3508 Bush Street  
Raleigh, NC 27609

**RE: Request for Changes to 2013 Qualified Allocation Plan (QAP)**

Dear Mr. Farmer:

Laurel Street Residential is honored to have worked with the North Carolina Housing Finance Agency (NCHFA) to develop affordable housing for low income families across the state. On behalf of the Laurel Street Residential team, I would like to thank you for the opportunity to share suggestions for the 2013 QAP.

Attached please find a list of our proposed changes. We otherwise found the QAP to be an effective guide to producing affordable housing in the state. Please contact me should you have any questions. Laurel Street Residential looks forward to working with the NCHFA in the future.

Sincerely,

  
Dionne Nelson  
Principal and CEO

## Laurel Street Residential – Proposed Changes for 2013 QAP

|   | Focus Area                        | Requested Change   | Rationale  |
|---|-----------------------------------|--|--|
| 1 | Redevelopment Projects            | Make awards to Hope VI or Choice Neighborhood projects explicit, subject only to minimum threshold requirements.   | <ul style="list-style-type: none"> <li>• These projects have been selected through a highly competitive national process. The state should be able to confidently support the quality of such projects, subject to them meeting minimum requirements of the NCHFA.</li> <li>• Federal funds of this magnitude should be leveraged within the state.</li> <li>• All developers could more clearly plan application submissions if these awards were more explicit.</li> </ul>   |
| 2 | Mortgage Subsidies and Leveraging | Expand eligible mortgage subsidy funds to include established housing authority development funds, to include Capital Funds and Replacement Housing Factor Funds, so long as there is a competitive process to develop the project or access such funds. | <ul style="list-style-type: none"> <li>• Provides an incentive for housing authorities to leverage all available funds to support tax credit developments.</li> <li>• Ensures that such funds are accessible to those wanting to develop in the area.</li> </ul>   |
| 3 | Amenities                         | Allow for a 2-mile waiver on distances to amenities for Redevelopment Projects, especially if public transportation is easily accessible.  | <ul style="list-style-type: none"> <li>• The 2012 QAP disadvantages Redevelopment Projects in its evaluation of amenities. For many such sites, shopping and grocery amenities don't currently exist within very close distances.</li> <li>• The redevelopment efforts are necessary to attract such amenities.</li> <li>• The waiver would even the competition with other projects, just as the redevelopment project points make such projects competitive with projects with high quality neighborhood characteristics.</li> </ul> |
| 4 | Principal Limits                  | Raise the total maximum awards to any one Principal to \$2,000,000.  | <ul style="list-style-type: none"> <li>• Allows developers of highly competitive projects to develop a unit mix appropriate for the site and market.</li> <li>• Winning projects should bring as many units on line as are appropriate and not be artificially limited by the principal cap.</li> </ul>  |