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September 7, 2012

Mr. Robert Kucab, Executive Director
North Carolina Housing Finance Agency
P.O. Box 28066
Raleigh, NC 27611-8066

Re: 2013 QAP Comments

Dear Mr. Kucab:

Thank you for allowing us this opportunity to submit comments regarding the State's 2013 Qualified Allocation Plan (QAP) for the Low-Income Housing Tax Credit Program. As you know, we have had a tremendous relationship with NCHFA and look forward to working with you for several years to come.

Nonetheless, we have some concerns regarding the QAP and how points are allocated. Most of our concerns are regarding the challenges for a public housing authority to be competitive against private developers. As a Choice Neighborhoods Initiative grantee, we have grave concern that a tax credit application supporting our Choice Neighborhoods revitalization efforts would not be awarded. What follows below is a list of some of the QAP's criteria with which we are most concerned.

- The points awarded to an application for the naming of a North Carolina general contractor. Given the federal procurement requirements of a Public Housing Authority, and its non-profit instrumentalities (HEO), it is impossible to name a general contractor in the application.
- The lack of points available for mortgage subsidy in the East region.
- Public Housing Authority's not being included in the non-profit/CHDO preference.
- Points for site suitability regarding right turns only accessing a property.
- Metro vs. non-metro as it relates to Choice Neighborhoods and other grants.
- The loss of points for community revitalization plan participation.
- The lack of points for mortgage subsidies for Choice Neighborhoods, Project Based Vouchers, and Public Housing properties.

We would like the opportunity to meet with you in person so that we can elaborate on why those items above create undue challenges for us. If you are able to accommodate our request for a meeting, please let me know at your earliest convenience. I can be reached at (910) 341-7700 ext. 241 or via email at m.krause@wha.net.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael J. Krause".

Michael J. Krause
Chief Executive Officer