AFFORDABLE HOUSING MANAGEMENT, INC

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Via Email

August 30, 2013

Attn: NCHFA Rental Investment

On behalf of the Affordable Housing Management's Board of Directors, I respectfully request consideration of the following comments when drafting the 2014 Qualified Allocation Plan:

II. B. 1. New Construction Set-Asides – Geographic Regions:

Place Guilford County and its per capita geographic set aside back into the Metro Region and reserve 20% of the Metro credits to the County:

- Guilford County's population exceeds a half million (500,789) and constitutes the 3rd largest county in the state
- There are two major cities and numerous well populated townships
- The County's characteristics are more similar to the urban nature of the Metro category than to the rural regions covered by the Central category
- The County brings significant per capita credit volume to the Central category (approximately 5% of the geographic set asides) but are handicapped in the competition by the advantages afforded to the rural and smaller counties
- Two thirds of our competitors in the Central category are receiving supplemental 20% and 30% state tax credits plus expanded amounts of RPP funds from the agency
- Sources of municipal funding are decreasing
- Guilford County's lower rent levels make bond projects difficult, making LIHTC applications extremely important for affordable housing production
- Move Guilford County and its per capita geographic set aside back into the Metro category
- To help insure that Guilford achieves parity within the Metro category, a provision should be added insuring that it receive at least 20% of the state's Metro allocation in the future.

IV. D. 1. (a) Development Experience: A developer should not be disqualified due to not having obtained credits for a development during the past five years. If a developer has not applied for tax credits and the agency considers the developer incapable that may very well be justification for disqualification. However, it is an entirely different situation when a developer has spent a significant amount of time and money submitting tax credit applications and has been unsuccessful for reasons beyond their control. This section should be changed to say: to be eligible at least one Principal must have successfully developed, operated and maintained in compliance one 9% Tax Credit project in North Carolina and either had a project placed in

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service or has submitted a final tax credit application that met threshold criteria, within the five year time frame.

II. A. Rehabilitation Set-Aside: Due to the importance of preserving affordable housing and that the 10% set-aside in 2013 was enough for only three projects; increase the set-aside to 15%.

IV. H. 1. (a) General Threshold Requirements: All rent restricted below market subsidized projects are equally important to preserve, therefore add a third eligibility for projects that received other state and/or local subsidy and are rent restricted.

IV. H. 3. (a) Rehab Evaluation Criteria: Due to the increase in the number of previously awarded tax credit projects requiring preservation/rehabilitation, change the QAP to provide equal priority for those as the federally subsidized projects. If previously awarded state/local subsidized projects (without tax credits) become eligible, they should also receive equal priority.

IV. A. 1. (b) (ii) Amenities:

Eliminate naming specific grocery stores and qualified shopping stores. There are many neighborhood stores (not convenience stores), coops, etc. that provide a good choice of products. Instead include minimum specifications to qualify stores and groceries such as square footage, type of products sold, hours of operation, etc.

However, if the named stores remain in the QAP, add Walmart Neighborhood Market and Food Consumer Cooperatives (Co-op).

I support last year's change in awarding maximum points from one half to one mile for Grocery and Shopping distance from sites. Increasing the distance provides more opportunities for purchasing very suitable sites at affordable pricing.

II. D. 2. Limits: Eliminate the 20% cap on nonprofit organizations. NCHFA should award credits to projects that receive the highest score regardless if the developer is for profit or nonprofit. There is no rationale for potentially eliminating a superior project solely based on the developer being nonprofit.

Sincerely,

David B. Levy
Executive Director