October 16, 2013

On behalf of the Affordable Housing Management's Board of Directors, I offer the following comments on the draft 2014 Qualified Allocation Plan:

AHM supports returning the seven counties to the Metro Region and allocating credits to each County based on their per capita percent share of the tax credits, with any remaining going to the next highest scoring applications.

AHM also supports increasing per-unit construction costs and changing the rehab first priority criteria to projects with a tax credit allocation.

The criteria under IV.D.1.(a) defining an eligible developer should not be applicable to an active developer who was not fortunate to receive an award and should be changed. The criteria appears to favor larger statewide developers that submit multiple applications increasing the likelihood that they would receive a funded project. A smaller, local developer may have significant tax credit operating experience, but develop on a smaller scale, and is less likely to have projects approved on an annual basis. It can also take multiple applications for a developer to get a local project approved. It is my understanding, prior to removing the waiver language last year that NCHFA did provide waivers for a number of developers in 2011.

AHM offers any one of the following suggested criteria to be used to define an eligible developer:

1. Submitted a prior year full tax credit application that met threshold criteria but was not funded.
2. Developed a minimum twenty-unit multifamily project utilizing NCHFA, HUD or local funding, within the past three years.
3. Developed at least five tax credit projects and currently manages tax credit properties.
4. Reinstate the ability to provide a waiver.

Lastly, 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.

Respectfully submitted,

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Executive Director