

Chris Austin

From: Bill Owen [owenbill@aol.com]
Sent: Monday, October 21, 2013 11:35 AM
To: Chris Austin
Subject: 2014 QAP Suggested Changes

Hi Chris:

Thank you for giving us the opportunity to suggest changes to the 2014 QAP. Some of the changes were submitted before, however, after comments were made at the Public Hearing, I wanted express United Developers suggestions.

1. Equity Pricing:

The establishment of the \$.83 pricing cap has driven down the price investors are willing to pay for a deal. A developer, who has a top rating with a syndication organization, is penalized by those who are unable to obtain good credit pricing. The establishment of the lower cap allows a few to reduce the equity for the majority. The ability to obtain additional equity strengthens the deal and permits the developer to request fewer tax credits making it possible for NCHFA to fund additional developments.

Developers who are committed to the program, with long term relationships, and excellent development results are being penalized by those few who are incapable of making a deal strong and viable. It is strongly recommended that this policy be changed for the 2014 application cycle.

2. Public Financial Support:

We do not support the suggestion to restore points for those cities or counties that can obtain local financial support. Many cities that are in counties with large cities are at a definite disadvantage where local financial support is not available. Secondly, in those cities with some funds available, are usually not sufficient funds to score equally with the larger cities. We do recommend that developers seek these funds to make their developments financially stronger.

3. Site Scores:

The distance of < 1 mile (.9 or less) to receive maximum points for grocery store, pharmacy/and or shopping is too restrictive. This restriction keeps very desirable and less costly sites from being considered. Secondly, applications that were approved in the past cannot compete for an additional a phase because of distance. The market is there, however, the site score keeps the application from being approved.

4. County Allocation in Metro:

We support the proposed allocation based on population for the Metro Region. This will insure county awards, provided the application submitted is competitive with the rest of the Metro Region.

Murray Duggins
United Developers, Inc.
mod@murrayduggins.com
910-485-6600