HOUSING AUTHORITY of Winston-Salem

October 8, 2013

Scott Farmer
North Carolina Housing Finance Agency
3508 North Bush Street
Raleigh, NC 27609

Re: Request for changes to the 2014 Qualified Allocation Plan (QAP)

Dear Mr. Farmer,

First, we would like to thank the North Carolina Housing Finance Agency for adding Forsyth and Guilford counties back into the Metro regions. However, we do have a concern that the contribution from a unit of local government now has to be at least $750,000 to qualify as a redevelopment project. In light of the current economy, and the fact that many municipalities are struggling to maintain their budgets, we feel that it is difficult to require a municipality to contribute that amount of money for a real estate development project.

As with last year, we are still concerned that the Amenities requirements are still very constraining. Considering the per unit limit on the purchase price of land, the Amenity requirement forces the developer to compete at retail land prices to acquire the site. We feel that more priority should be given to sites located closer to employment centers for the residents. In addition, acquiring vacant land next to these amenities usually requires finding sites in the suburbs with no access to mass transit to provide transportation to the residents of the LIHTC apartment community.

The RPP loans do not allow for market rate units. This restraint tends to concentrate people of lower income in the community and does not favor a mix of incomes. The Housing Authority of the City of Winston-Salem is trying to promote a mix of incomes in its new communities and this restraint does not support that effort.

In addition to the non-profit set-asides, there should also be set-asides for Public Housing Authorities. HUD is looking to LIHTC's as a primary means for rehabilitation of existing and development of new public housing units.

The project team requirements give five points for a principal that has received 10 awards of tax credits in the last six years. However, there is a limit to the number of awards annually that a principal can receive. These two items seems to be in conflict. Also, the five points automatically put at a disadvantage anyone trying to use LIHTC as a funding source who has not been awarded a significant number of tax credit deals in recent years. This tends to show favoritism towards certain developers.

The unit mix requirements again do not allow for market rate units. As mentioned previously, the Housing Authority is striving to promote a mix of incomes in its developments and this point conflicts with that concept.

Sincerely,

Katrina H. Redmon

Katrina H. Redmon
Vice President/Chief Development Officer