

Chris Austin

From: Jim Harrell [jimharrell3@gmail.com]
Sent: Friday, August 30, 2013 3:37 PM
To: Chris Austin
Subject: 2014 QAP Comments

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To Whom It May Concern:

House North Carolina, Inc. is an association of multi-family developers created to support good public housing policy. We offer the following comments to assist in the creation of the 2014 QAP:

1. We ask the Agency to not cap tax credit pricing. If a developer is able to obtain a better price for the tax credit than the cap allows, we do not believe that there is a good public policy rationale for limiting the amount that the developer can obtain for the credit. More tax credit equity results in lower debt and lower rents.

There is an inequity to the development community that occurs by capping the credit pricing in the tax credit application and then penalizing the development for achieving a higher equity price upon closing (i.e. reducing other state resources). We have actually had investors state that they are not willing to go over a certain equity price because the agency would then start taking away other resources which were committed to the deal.

2. We ask the Agency to not allow sources of funding (the amount of federal credit, RPP, etc.) to be reduced during the period between acceptance of the final application and final cost certification. Reducing the federal credit or state credit at carryover is premature because project construction is just starting and potential unforeseen costs have not yet been quantified.

3. We ask the Agency to provide an additional incentive to developers who propose projects in a QCT or DDA.

4. We ask that the Agency state in the QAP whether the design will be competitively scored. If not, we suggest that the design simply be pass/ fail. In the last cycle, very few projects scored less than a perfect score but some designs may have been more intricate or desirable than others. It is not fair to the developers who spend more funds on plans and design amenities to receive the same points as a developer who does not.

5. We agree with the for-profit/non-profit award distribution in the 2013 cycle and we ask that the Agency retain policies to maintain that distribution percentage.

6. We ask that the Agency enumerate in the QAP the amount of the sources (RPP and Federal Tax Credits) that are allocated to the tax credit cycle and how they will be distributed.

We thank you for your time and consideration.

Sincerely, Jim
James A. Harrell, III
Attorney At Law

Sent from my iPhone