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September 18, 2013

North Carolina Housing Finance Agency  
Attn: Rental Investment  
3508 Bush Street  
Raleigh, NC 27609

***Re: 2014 QAP Comments***

To Whom It May Concern:

Thank you for allowing us this opportunity to submit comments regarding the State's 2014 Qualified Allocation Plan for the Low-Income Housing Tax Credit Program.

We ask that the North Carolina Housing Finance Agency provide preference points in the QAP for projects that are located within a Choice Neighborhoods Initiative target area. The Choice Neighborhoods Initiative has grown out of lessons learned from the Department of Housing and Urban Development's signature HOPE VI program. It both builds on and goes beyond HOPE VI, and has strong ties to education reform, reduction of crime, and the building of critical community assets. This program can target both distressed public housing and HUD-assisted housing, and sponsors can include cities, non-profits and even for-profit entities, in addition to housing authorities.

The target areas are chosen because of the extent of distress: high poverty rates; high concentrations of vacant lots and substandard homes; high crime; and poor performing schools. Given the bold and comprehensive nature of this Choice Neighborhoods Initiative, we recommend that NCHFA provide bonus points to projects in CNI target areas. Additionally, CNI applicants in smaller North Carolina areas are less likely to be awarded a CNI grant without the prior commitment of LIHTC funding to the project. The leverage ratio requirements for a Choice Neighborhoods project places these applicants at a disadvantage to larger cities throughout the country.

We also suggest changes to the points awarded for naming a North Carolina general contractor. Housing Authorities and their non-profit instrumentalities would incur a greater expense in advance of an award due to federal procurement requirements to select a contractor. If this point structure is to remain, we would suggest that contractors with offices in NC would also be eligible for those points regardless of where their main office is located.

Thank you for your consideration of these comments. If I can provide additional information on the Choice Neighborhoods program or our contractor procurement requirements, please feel free to contact me at [v.hamilton@wha.net](mailto:v.hamilton@wha.net).

Sincerely,

G. Vernice Hamilton  
Interim Chief Executive Officer