Tara Meredith

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Cc: aj@FederationCo.com
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Good afternoon,
Thank you for the time and thoughtfulness for the listening session. I think it is wonderful that the agency solicits industry feedback when crafting the document that ultimately guides our process. To that end, please find attached some comments pertaining to the latest draft of the QAP.

Thank you again for your time and service.

Have a wonderful day

Respectfully,

Be safe and well

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Notes for Listening Session

- Removal of non-profit set aside from the QAP
    - Just because an organization is tax exempt does not mean they should get priority for tax credits on a worse quality project/location
    - It only hurts residents and in-turn tax payers more, project selection should be based solely on quality of site, sponsor track record and financial viability
    - Non-profits already have an advantage in their operating costs given they do not pay property taxes and may be exempt from other taxes as well. Giving them an automatic set aside makes the playing field unequal
    - Further, it may deter a for-profit entity from submitting a superior site because they don't want to go up against a non-profit that will have an advantage

- Increase DCR – 1.2 – Deals are very tight and permanent lenders like to see more debt coverage with expenses increasing at 3% and revenue only increasing by 2%
    - In regards to HOME units trending. I think they should trend at 2% as well.
    - This will also make it easier to repay deferred fee

- Increase max credits – With soft funding getting more difficult every year, the decrease in credit pricing and increase in construction costs, an increase in max credits per project will help with sourcing. I realize that there will be less deals as a result but it will make awarded deals more viable

- Increase construction costs for negative points – Construction costs are increasing due to inflation and cost of labor for skilled workers. Projects should not be negatively impacted for showing actual costs. This threshold needs to be increased.

- **As was noted during the listening session, I think there needs to be a change to the limit for the rehab costs per unit to have the acquisition price removed from the calculation on the per unit maximum. If the acquisition price is to stay in the calculation, then I feel the limit needs to be increased.**

- Increase RPP per High, Moderate and Low income counties. The limit has been the same for several years and given how difficult soft funding is getting, increase in RPP funds will help source projects

- Remove continuous sidewalk for bus stop if the bus stop is within a certain amount of feet to the entrance of the development. The residents can wait at the site for the bus

- Ability to increase rents at the final application if the rent limits are released following the preliminary application but before the market analyst has finalized their report. More often than not the rent limits are not released by the time of the preliminary application and the ability to adjust rents following the preliminary application is helpful. If the project gets awarded it is almost 2 years behind on the rents.

- Increase number of units for metro and other regions. Many times we get a chance to develop larger pieces of land in areas that we cannot do a bond deal given the size of the county but there is a need for affordable housing. Increasing the number of units will allow us to serve those in need of affordable housing.

- Given how early we are in the process, it is very difficult to get the water, sewer, tap fees and permit fees from the municipalities. Usually, municipalities can only give a ballpark until they actually have approved construction drawings. You really have to dig into their fee schedules which may change if it is a budget year. I would like to see these line items removed and we can just put them in the construction costs since they are a basis items.