



Writer's Extension: 131
Writer's Email: dlevy@ahmi.org

M E M O

To: NCHFA Rental Investment
Date: September 7, 2012
From: David B. Levy
Subject: 2013 Qualified Allocation Plan

The following are comments regarding the 2013 QAP:

Section II D.2. LIMITS:

No more than 20% of the overall allocation being awarded to projects where a nonprofit organization is the applicant is arbitrary and should be deleted. The limit potentially unduly penalizes nonprofit organizations. The only matter of concern should be if an applicant is qualified and meets the QAP requirements. Allow scoring of each project to determine which projects get allocation awards.

Not only is the 20% limit arbitrary and unfair to nonprofits, if the 20% limit does not get eliminated, nonprofits being penalized with another arbitrary and unfair rule of applying the 20% limit to new construction prior to rehab projects. This can cause a nonprofit organization to incur significant time and expense to submit an application, to then possibly being disqualified due to this limit and not due to scoring and merit of the project. Again why eliminate projects that might potentially score higher than others simply due to it being a nonprofit developer?

Section III A. APPLICATION AND AWARD SCHEDULE:

Please consider keeping the deadline for submission of preliminary applications to mid-January due to the holiday season in December.

Section IV.

A. 1. (b) (i) NEIGHBORHOOD CHARACTERISTICS

Consider adding more tiers between the Good, Fair and Poor categories similar to what is used in

(ii) Amenities. It is somewhat subjective if there are just a few structures within a half mile radius that are not well maintained. Even the best neighborhoods sometimes have structures that are not well maintained. I am not sure how this worked out last year, but I have concerns that a Good site might be considered Fair under the circumstances I describe. I suggest a category be added between Good and Fair that takes that into consideration and would get 13 or 14 points. I suggest the same thing for adding a category between Fair and Poor that would get 4 or 5 points.

A.1. (b) (ii) AMENITIES

Rather than naming specific grocery and shopping retailers and possibly leaving out other retailers, this item should be qualified by square footage or whatever other qualifications the agency used to come up with the list of specific retailers.

A.1. (b) (iii) SITE SUITABILITY

Wetlands should be removed from the first paragraph describing negative features, physical barriers, etc. Many times a site will have a section that has wetlands on it but the remaining site can be developed without any site design drawback.

D. 1. (a) There are developers that have produced successful tax credit projects but for various reasons may not have received an allocation within the placed in service timeframe indicated in this section. Therefore there should be another qualification added that would also recognize having successfully developed, operated and maintained in compliance five (5) NC tax credit projects with no timeframe indicated.

If that second qualification is not added then I encourage keeping the note that the Agency may waive the requirement for applicants with adequate experience in the NC tax credit program.