

Chris Austin

From: Jim Yamin [jim@workforcehomestead.com]
Sent: Monday, October 08, 2012 9:07 AM
To: Scott Farmer
Cc: Mark Shelburne; Chris Austin
Subject: 2013 Draft QAP Comments

Scott,

I'd like to offer my feedback to the Agency regarding a few particular issues in the proposed 2013 QAP:

Elimination of the HFA-designated basis boost

The biggest concern to me by far is the proposed change to eliminate HFA-designated basis boost. An immediate consequence of this new policy would be to render infeasible many deals in rural counties, especially those targeting an elderly population, and/or those attempting deeper rent targeting. With these kinds of developments, unless the reduced rental revenue in either of these two project scenarios is offset by an opportunity for additional credit equity, the numbers just don't work. The net effect would be to cut off some of the most vulnerable segments of the population from assistance through the program.

I'm further perplexed by this proposed change when the program experience is examined over the period of time since the beginning of the availability of the boost in 2009. It has all been positive. Year after year, both the number of units created and the number of projects awarded have all steadily increased. While other factors likely played into this highly desirable trend line, I'd hazard a guess to say that the basis boost has been the most significant among them. Am I missing something here?

This effect is exacerbated by the reduction in the maximum RPP loan amount. While I understand the desire to spread a scarce resource as far as possible, capping RPP dollars in combination with the elimination of the basis boost represents a pretty significant one-two punch to our ability to serve a large portion of an already underserved segment of households. If you want to preserve scarce resources and if I have to choose, I can support a cap on maximum RPP assistance a heck of a lot more readily than I can the outright elimination of the HFA-designated basis boost.

We can continue this highly desirable positive overall trend in 2013 **and** we can continue to serve some of the most vulnerable populations by maintaining the HFA-designated basis boost as it was implemented during the 2012 cycle. Please.

Timing of the allowable equity pricing range

I want to offer strong support for the proposal to announce the allowable equity pricing range before the deadline for making market study related changes.

Site Evaluation

I felt that the Agency may have overcompensated a bit with this year's site evaluation process. While I certainly have no way of independently evaluating whether an overwhelming number of all sites were indeed all worthy of the perfect score they received, I have to wonder if there may be a way to bring a further reasonable level of scrutiny to the process to more fairly compare sites one against the other within each geographic region. For example, consider adding another grading level to the Neighborhood Characteristics section [IV.A.1.(b)(i)] to include Excellent – 18 points, Good – 12 points, Fair – 6 points, Poor – 0 points.

The experience with the site evaluation section appears to have been the single most significant factor in not only manifesting but indeed elevating the tiebreaker dynamic as the preeminent factor in determining which applications received awards. Even though we've only got one year's experience under our belt, I can't help but have the unsettling feeling that the tiebreaker dynamic is distorting the overall competitive process in ways that might not be completely

Chris Austin

From: Jim Yamin [jim@workforcehomestead.com]
Sent: Tuesday, October 09, 2012 10:55 AM
To: Scott Farmer
Cc: Mark Shelburne; Chris Austin
Subject: 2013 Draft QAP Comments, II

Scott,

Geographic Regions

An additional comment I'd like to add is to state my strong support for the Geographic Regions decision to move the five counties other than Mecklenburg and Wake out of the Metro and into their respective geographic regions, along with the end of mortgage subsidy points.

Thanks again.

Jim Yamin

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desirable. I wish I had more concrete and coherent ideas to offer in this regard, but at the very least it is this year's site evaluation experience that otherwise leaps out to me as an area for further thoughtful reconsideration.

I know you guys took a lot of heat from elected officials since last year's cycle, a development I find very troubling. I shudder to think of what will become of the program if each one of us feels it is in our best interests to get the politicians involved in the QAP process – “the beginning of the end” is my shorthand summation. Nothing like poisoning the well when we're also always lobbying the General Assembly to continue support through the HTF & STC. In the meantime, I'd hope there isn't a complete cave-in to such political pressure and that staff can still discern a role for at least some reasonable degree of judgment authority in this process.

Thanks for considering these ideas, and for all your hard work in offering one of the best allocation processes around.

Jim Yamin

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