Following are the suggested revisions to the 2013 North Carolina QAP
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Generally, it seems that the trend is away from

1. Remove the cap on nonprofit organizations' participation in the LIHTC allocation

Contrary to allegations of for profit developers: many nonprofits do not receive operational subsidies, nonprofits do pay taxes on their developments (since the ownership entity must be a for profit due to accounting reasons), nonprofits spend just as much as for profits to source and to assemble deals for submission for tax credit allocation, and for profit organizations also apply for and are often awarded local governmental funds for their developments. These are substantiated facts.

Further, the profits from affordable housing development by nonprofit organizations are redirected back to the community to serve the stated mission of the nonprofit (as mandated by law and their nonprofit status). Thus the communities are better served through nonprofit participation in affordable housing development.

An analysis of the properties developed by nonprofit organizations would show housing that better serves those North Carolinians most in need. The rents are affordable to those with lower incomes and the level of support services available to the residents is higher. So the population that the LIHTC was designed to server is better served through properties developed by nonprofit organizations.

Analysis also shows that the properties developed by nonprofits are as well designed, built, managed, maintained and operated and properties developed by for profit entities.

North Carolina is the ONLY state in the country that specifically limits the awards that can be made to nonprofit organizations. Indeed, recognizing the unique mission ability of the nonprofits to serve their communities, many states award extra QAP points to nonprofits, or they set a minimum, not a maximum, of the allocation available to viable nonprofit deals.

At the very least, the playing field should be flat and the process transparent. The properties that best meet the needs of the neediest North Carolinians should prevail. There should be no qualification on who builds the property. Why should a property and proposal that better serves the stated requirements of the HFA be denied credits when a lesser property is awarded credits, solely due to the status of the entity that submitted the application? Let the properties compete head to head, not the developers.

2. Change the site scoring system

The vast majority of the final applications received "perfect" site scores. North Carolina, more than many other states, restricts the points awarded for many site related amenities that would be of great benefit to the resident of the property. There are no ways to "make up" lost points in this scoring system. Thus a site that is .6 miles from a grocery yet has far better access to other benefits like libraries, recreation, parks, etc would score far worse that a site with no “unscored amenities” that is one tenth of a mile closer to a grocery store.

Define clearly all factors considered in site (or any other) scoring, such as “high traffic corridor”.

3. Increase mortgage subsidy scoring

The more debt or grant funds attached to a property, the fewer the LIHTC funds required to construct or rehab the property. Thus LIHTCs are available to more deals/fewer LIHTCs are spent per unit. Subsidies to properties should be encouraged, given their positive impact. Allowing points for mortgage subsidy in Metro areas proves this point. Local subsidy dollars in a property will increase the visibility of the property for the local government and most likely improve both the viability of the deal (with the subsidy and local visibility of the property) and the long term affordablility of the property.

4. Include Green building certification and healthy living construction as bonus points in the design assessment.

5. NCHFA should announce what counties will be “off limits for the subsequent round of LIHTC awards at the time that awards are announced. There is a long lead time required for identifying properties that fit the scoring requirements, and not knowing what counties will be excluded from consideration only adds to the uncertainly and the cost of trying to acquire high scoring sites.

6. Review the Special Needs set aside of units. While TAHG heartily endorses the intent behind this provision, it is largely unworkable. We have had problems filling units due to inefficiencies in the indentification and assigning of residents to the units, leading to cash flow issues with the real estate. We also have had problems with disruptive special needs residents, causing a high turnover, and the inability to remove the residents or to find the resources needed to provide them with a proper level of support and care.