

Chris Austin

From: Richard [richard@thirdwavehousing.com]
Sent: Tuesday, October 29, 2013 5:07 PM
To: Scott Farmer; Chris Austin; Mark Shelburne
Subject: QAP comments

The waiver process should be added back into the experience section of the QAP to allow the staff at NCHFA to review a team's background to determine if a team has sufficient tax credits development experience in North Carolina.

It just makes logical sense that non-owners of development companies, who make the day to day business decisions for tax credit properties, should be able to provide a case to NCHFA that they have the experience necessary to develop tax credit properties.

A perfect example of this is an executive director of a housing authority/non-profit or a senior executive of an active North Carolina development company. They are the person who signs the application, acts as the main contact with NCHFA, makes all of the business decisions during the construction, and signs the partnership/loan documents, as well as, the person who signs the tax returns. They are the person who is responsible for the ongoing operation of the property, but they don't qualify as experienced developers per the current draft QAP.

In the other extreme, under the current experience rules in the draft QAP, spouses qualify as an "Experienced Developer" even if they have no exposure to the day to day running of the business, just because they have common ownership of a development company that placed a tax credit property in service.

I know some of the long term owners of development teams like the current rule because it cuts down on the competition in North Carolina and allows them to collect additional fees, but given NCHFA's current emphasis on making the tax credit business more cost conscious, this protectionism should be removed to allow others to compete for these federal funds that NCHFA allocates.

With this in mind, I kindly request that you please change the rule in the QAP to allow individuals to present their cases that they have the experience to fully develop tax credit properties in North Carolina.

Sincerely,

Richard

Richard Angino

Third Wave Housing LLC