THE HOUSING PARTNERSHIP

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The following are the suggested revisions for the 2015 North Carolina QAP

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

2. Remove or double limits on amount of credits that can be awarded to one developer.

3. Modify site scoring system:
    a. In urban communities, encourage TOD by adding point scoring for projects located within 1/2 mile of a light-rail or other mass-transit stop. These projects should score the same points as projects within 1 mile of a grocery store. Alternatively, see NC Non-Profit Alliance letter for suggestions.
    b. Add points and/or consideration for local community support. Note that regional priorities have no basis to be considered in awards; thus, projects that are clear priorities for development have no competitive advantage. Allow a City's mayor or elected body to rank project importance in cases of tie scores among several projects.

4. Remove "credits per unit" as the tie among projects with identical scores. This encourages lower quality construction and less expensive land acquisition in areas that may be sub-optimal. Also, communities with higher land and development costs are at an automatic disadvantage. Some considerations:
    a. In the event of a tie score, use City's project priority rank as the tie-breaker.
    b. Add amenity points as suggested by NC Non-Profit Alliance letter.

5. Increase number of projects approved as "redevelopment" from three per year to six. See NC Non-Profit Alliance letter for specific ideas.

6. Given the lack of State tax credits, eliminate the threshold of units at very low income. While we understand and support the importance of this set-a-side, it will be extremely difficult to find enough subsidy to fund these units. Alternatively, utilize other funding as suggested in NC Non-Profit Alliance letter to make up for the subsidy shortfall.

7. Award at least two projects each year in large metropolitan cities, assuming a score at 60 or above (if bonus points are allowed).

8. Allow developers to apply for tax-exempt bond allocations year round instead of twice a year. This allows more flexibility to layer funding that may come from local sources on an unpredictable calendar basis.

9. For tax exempt bond allocations, consider allowing organizations to change the unit mix or structure of the project if interest rates dramatically change from time of submission to time of award.