Chris Austin

From: Scott Redinger [sredinger@saredinger.com]
Sent: Saturday, August 02, 2014 3:06 PM
To: rentalhelp
Cc: Chase Northcutt; Gary Hammond; Don G.Wellons; April Counts
Subject: Comment 2015 QAP

Since Funding decisions are now being made on the developments that request the least amount of Credits, the Agency should give consideration to applications submitted in coastal counties because they are subject to higher property insurance cost which places them at a competitive disadvantage with applications submitted in non costal counties... **How are applications from coastal counties at a disadvantage?**

One strategy to reduce the amount of LIHTC requested and improve your chances of being funded is to reduce the project's Net Operating Income by charging as high a (60%) rent as the LIHTC program will allow on the non targeted units, (you need the 5 points) and using the minimum per unit Operating Cost of $3,200 per unit. This allows applicants to support a higher market rate loan necessary to reduce the amount of LIHTC's requested.

Applicants submitting projects in coastal counties can choose to submit applications based on actual insurance cost which will increase their NOI thereby reducing their chances of being funded or just plug an insurance number to show a per unit operating cost of $3,200.

Thank you for your consideration of this request.

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