



Beyond Buildings.

November 17, 2014

North Carolina Housing Finance Agency
Attn: Mr. Chris Austin
3508 Bush Street
Raleigh, NC 27609

Re: 2015 QAP – Second Draft Comments

Dear Chris,

First off I'd like to commend the Agency on their second draft of the 2015 QAP. We like that you have addressed the comments and needs of the affordable housing community in North Carolina and look forward to working with the Agency to achieve the same in 2015.

With that said, Zimmerman Properties would like to suggest the following additional comments for consideration in finalizing the 2015 QAP:

1. Pursuant to Section IV.A.1.b.ii as it relates to points for bus/transit stops, we feel the requirement for the stop to have a covered waiting area is overly conservative and could create "loopholes" for the creation of "covered areas" put in place by parties not affiliated with the service provider. Also, given many stops are required to have posted signage, or if not the requirement for the stop to be in a fixed location, is more applicable to the majority of waiting areas where services are provided. Two possible alternatives, other than altogether removing the requirement for the stop to be covered, could be as follows:
 - a. Have the applicant and service provider enter into an agreement submitted at tier 1 whereby applicant certifies to install the covered waiting area at the fixed location pursuant to the specifications of the provider; or
 - b. Have the applicant and service provider enter into an agreement submitted at tier 1 whereby the provider certifies to install the covered waiting area at the fixed location pursuant.

By allowing either option above, not only will the Agency allow applicants to target more fixed location stops, thereby opening up competition more, but the service providers will be providing more covered waiting areas for its patrons, which in the end will promote more usage of the stop during inclement weather.

2. Pursuant to Section IV.E.2 as it relates to New construction 9% Tax Credit project sizes, we would like to recommend modifying the second bullet point language to incentive smaller developments in qualified USDA rural areas. An example could be as follows:
 - a. Central, East, and West Regions – sixty-four (64) units for projects proposed in certified USDA rural areas NOT located within close proximity (15 miles?) of a high population MSA (40,000+ person population based on 2013/2014 U.S. Census data estimates?), otherwise eighty (80) units.

Additionally, to incentivize development in these smaller qualified USDA rural markets the Agency could commit to funding a minimum of 1 project located in a qualified USDA rural area in each of the non-Metro regions.

Should you or the Agency have any questions as it relates to the suggestions proposed above, please do not hesitate to call or email me any time. We thank you again for your work thus far for the 2015 application cycle.

Sincerely,

Tab Bullard, VP of Development

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