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October 23, 2015

Mr. Scott Farmer
Director of Rental Investment
North Carolina Housing Finance Agency
3508 Bush Street
Raleigh, North Carolina 27609

Re: 2016 North Carolina Low-Income Housing Tax Credit Qualified Allocation Plan (“QAP”) Comments

Dear Mr. Farmer:

Thank you for the opportunity to provide comments on the 2016 North Carolina Low Income Housing Tax Credit Qualified Allocation Plan (“QAP”). As the second largest public housing authority in the state of North Carolina with over 2,200 units of affordable housing and largest affordable housing provider in the City of Greensboro serving the underserved citizens in the City and throughout Guilford County, the Greensboro Housing Authority (“GHA”) fully understand and value the importance that the low-income housing tax credit program provides to the affordable housing community. Without access to the benefits of the low income housing tax credit program, many affordable housing providers would be severely limited in fulfilling its mission to create and maintain safe, quality, affordable housing to low income families, elderly and the disabled within their communities.

Throughout the past 74 years, GHA has provided over 10,000 individuals with housing and supportive services through its various programs. In 2013, GHA received a portfolio award from HUD to redevelop its property through the Rental Assistance Demonstration (“RAD”) program, whereby all of the 21 properties owned by GHA will convert from a public housing program (Section 9) to a Project-Based Voucher (Section 8) rental subsidy program providing a long term Housing Assistance Payment contract on each property under the RAD program for the next 20 years. The RAD conversion of all 20 properties will allow GHA to leverage debt financing from the private market and take full advantage of the Low Income Housing Tax Credit (LIHTC) (program administered by your agency (the North Carolina Housing Finance Agency)).

In order to fully participate in the LIHTC program, GHA is requesting a revision to the following sections of the QAP:

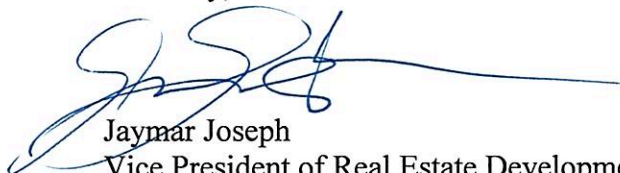
Section IV (D)(1)(a): Development Experience – GHA requests that NCHFA expands the Principal criteria to include qualified public housing authorities (“PHA”s), where PHAs demonstrate technical experience, financial capacity, years in service, and overall development team (consisting of architects, general contractors, financial lenders and equity investors) to be eligible for an award of 9% Tax Credits.

Section IV (D)(1)(d): Development Experience – GHA requests the addition of a separate section to allow for pre-qualification review by the Agency to qualify as a Principal and receive eligibility to participate in the LIHTC program as an applicant, managing general partner, and Developer for existing properties that are owned by sponsors for public housing revitalization and rehabilitation projects that receive RAD awards.

Section V (B)(4): Allocation of Bond Cap – Eligibility for Award – GHA requests the insertion of language to allow for PHA sponsors to be eligible for an award of tax-exempt bond volume in particular, projects that serve as a component of an overall public housing revitalization and rehabilitation effort, such as projects that receive a RAD Commitment to Enter into a Housing Assistance Payments Contract for the development proposed by the pre-application.

If you have any questions, or need further information, please contact me, at 336-303-3169.

Sincerely,



Jaymar Joseph
Vice President of Real Estate Development
Greensboro Housing Authority

**EXHIBIT 1: 2016 Low-Income Housing Tax Credit
Qualified Allocation Plan – Proposed Modifications**

The 2016 Low-Income Housing Tax Credit Qualified Allocation Plan For the State of North Carolina

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Burke	Cumberland	Guilford	Mecklenburg	Wake
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- (b) A loan will not be closed until the outstanding balance on the first-tier construction financing exceeds the principal amount and the entire loan must be used to pay down a portion of the then existing construction debt.
- (c) The terms will be zero percent (0%) interest, thirty year balloon (no payments). The Agency will take all eligible sources into consideration in setting the amount. The following percent of eligible basis will be the initial limit, and in no event will the amount exceed the statutory maximums.

County Income Designation	Percent of Eligible Basis	Statutory Maximum
High	2%	\$250,000
Moderate	6%	\$750,000
Low	10%	\$1,000,000

Requesting a WHLP loan may result in an application being ineligible under Section VI(B)(6)(d) if the Agency has inadequate funds.

D. CAPABILITY OF THE PROJECT TEAM

1. DEVELOPMENT EXPERIENCE ~~(MAXIMUM 5 POINTS)~~

- (a) ~~In order to~~ To be eligible for an award of 9% Tax Credits, at least one Principal must have successfully developed, operated and maintained in compliance ~~either one (1) Tax Credit project in North Carolina or six (6) separate Tax Credit projects totaling in excess of 200 units.~~ either one (1) Tax Credit project in North Carolina or six (6) separate Tax Credit projects totaling in excess of 200 units. The project(s) must have been placed in service between January 1, 2008~~9~~ and January 1, 2014~~5~~. Such Principal must: the Principal criteria to include public housing authorities ("PHA"s), where PHAs demonstrate technical experience, financial capacity, years in service
 - (i) be identified in the preliminary application as the Applicant under Section III(C)(5),
 - (ii) become a general partner or managing member of the ownership entity, and
 - (iii) remain responsible for overseeing the project and operation of the project for a period of two (2) years after placed in service. The Agency will determine what qualifies as successful and who can be considered as involved in a particular project.
- (b) All owners and Principals must disclose all previous participation in the low-income housing tax credit program. Additionally, owners and Principals that have participated in an out of state tax credit allocation may be required to complete an Authorization for Release of Information form.
- (c) The Agency reserves the right to determine that a particular development team does not meet the threshold requirement of subsection (D)(1)(a) due to differences between its prior work and the proposed project. Particularly important in this evaluation is the type of subsidy program used in the previous experience (such as tax-exempt bonds, RD).
- (d) The Agency shall allow for a pre-qualification review to establish eligibility as a Principal and meet the threshold requirement of subsection (D)(1)(a). ~~(d) Five (5) points will be awarded if the Principal meeting the eligibility requirement in subsection (D)(1)(a) either:~~
 - ~~(i) was a Principal in seven awards of 9% Tax Credits in North Carolina from 2008 through 2014, or~~
 - ~~(ii) has her/his/its principal office in North Carolina (see Appendix J for guidance).~~

2. MANAGEMENT EXPERIENCE

4. ~~In order to~~ To be eligible for an award of tax-exempt bond volume, at least one Principal must have successfully developed, operated and maintained in compliance either one 9% Tax Credit project in North Carolina or one tax-exempt bond project. The project(s) must have been placed in service between January 1, 2008~~9~~ and January 1, 2014~~5~~. Such Principal must:
 - be identified in the preliminary application as the Applicant under Section III(C)(5),
 - become a general partner or managing member of the ownership entity, and
 - remain responsible for overseeing the project and operation of the project for a period of two (2) years after placed in service.

The Agency will determine what qualifies as successful and who can be considered as involved in a particular project. The Agency considers Public Housing Authorities (PHAs) as eligible Principals for existing projects owned by the PHAs, particularly as it relates to public housing revitalization and the HUD Rental Assistance Demonstration (RAD) program.

VI. GENERAL REQUIREMENTS

A. GENERAL THRESHOLD REQUIREMENTS FOR PROJECT PROPOSALS

1. PROJECTS WITH HISTORIC TAX CREDITS

Buildings either must be on the National Register of Historic Places or approved for the State Historic Preservation Office's study list at the time of the full application. Evidence of meeting this requirement should be provided.

2. NONPROFIT SET-ASIDE

For purposes of being considered as a nonprofit sponsored application under Section II(D)(1)(a), at least one nonprofit entity (or, where applicable, its qualified corporation) involved in a project must:

- (a) be qualified under Section 501(c)(3) or (4) of the Code,
- (b) materially participate, as defined under federal law, in the acquisition, development, ownership, and ongoing operation of the property for the entire compliance period,
- (c) have as one of its exempt purposes the fostering of low-income housing,
- (d) be a managing member or general partner of the ownership entity.

The Agency reserves the right to make a determination that the nonprofit owner is not affiliated with or controlled by a for-profit entity or entities other than a qualified corporation. There can be no identity of interest between any nonprofit owner and for-profit entity, other than a qualified corporation.

3. REQUIRED REPORTS

All projects involving use of existing structures must submit the following:

- (a) For projects built prior to 1978, a hazardous material report which provides the results of testing for asbestos containing materials, lead based paint, Polychlorinated Biphenyls (PCBs), underground storage tanks, petroleum bulk storage tanks, Chlorofluorocarbons (CFCs), and other hazardous materials. The testing must be performed by professionals licensed to do hazardous materials testing. A report written by an architect or building contractor or developer will not suffice. A plan and projected costs for removal of hazardous materials must also be included.
- (b) A report assessing the structural integrity of the building(s) being renovated from an architect or engineer. Report must be dated no more than six (6) months from the full application deadline.
- (c) A current termite inspection report. Report must be dated no more than six (6) months from the full application deadline.

4. APPRAISALS