

Chris Austin

From: Ned Fowler <efowler@nwrha.com>
Sent: Monday, October 26, 2015 10:49 AM
To: rentalhelp
Subject: First Draft QAP 2016 Comments

Dear Scott and Chris:

Here is a transcript of my comment during the public hearing and a related recommendation of language change.

"Sixteen years ago, NW Housing earned bonus points in NCHFA's annual competition for housing credits for bringing commitments of HUD Project Based Subsidies. The resulting affordable rental developments with NCHFA's help continue to this day to serve some of our least fortunate neighbors here in the mountain counties.

In 2015, there is not only no bonus for this model, NW Housing was ruled out of the competition because of NCHFA policies which refuse to underwrite Project Based Subsidy rents. Further, NCHFA's instructions to its independent market analysts require them to ignore local demand of those most in need-the clients who would need direct subsidy to be able to afford a tax credit dwelling. Current policy and first draft QAP 2016 policy in these matters exclude applications in rural markets statewide which propose elderly one BR dwelling units even when one grosses up income in the poorer counties to the National Rural Standard for VLI households. Such applications are being ruled infeasible even though they otherwise achieve perfect scoring and have solid local commitments for rent subsidy.

NCHFA has defended this underwriting approach in the QAP by positing "the uncertainty of long-term federal commitment to Section 8 rental assistance". While we recognize that no one is safe when Congress is in town, the facts in this matter run counter to NCHFA's supposition. The Congressional Budget Office issued its report on federal housing assistance in September 2015 and, in it, the CBO found that federal housing assistance for LI households is 15% greater in 2014 than in the year 2000 adjusted for inflation. The report goes on to note that most of that growth occurred in 2003 and during the 11 years since has held steady excepting a recent 6% decline following enactment of the Budget Control act of 2011. Even so we're talking here about a \$50 billion per year federal commitment currently housing 4.5 million American households. Most in Congress recognize they cannot afford to push these households to the streets.

Now is the time for NCHFA to return its policies to a posture which at least allows if not encourages this combination of housing credits and direct subsidies so that our rural seniors on fixed income can benefit.

I appreciate your patience with me. I will submit in writing but I am interested to know today your thoughts if you are willing to comment here."

I am echoing Lucius Jones comment-"help our smaller communities".

The recommendation is that NCHFA amend 1st Draft 2016 QAP at Section VI B. 13 to read: "For all projects that propose to utilize Section 8 project-based rental assistance, the Agency will underwrite the rents according to the Section 8 Payment Standards of the local housing authority committing the assistance".

Thank you for your time and consideration.

Sincerely,

Ned

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