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JOHN T. BODE
JAMES A. HARRELL, III

September 2, 2016

Chris Austin
NC Housing Finance Agency
Attn: Rental Investment
3508 Bush Street
Raleigh, NC 27609

claustin@nchfa.com

Dear Mr. Austin:

I represent an organization of multi-family developers who share mutual concerns about the proposed QAP.

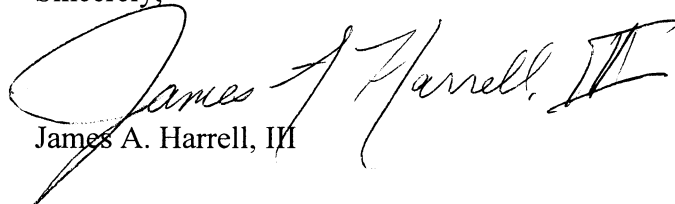
The first tiebreaker changes the award winning project from the project utilizing the fewest credits to the project that addresses the lowest poverty level. The second tiebreaker allows the project with the lowest average income targeting to be awarded. While we appreciate the attempt to consider other options, we respectfully request that the QAP be drafted in a manner that decreases the chances of ties. We believe that this could be achieved by uncapping the site score and by including additional amenities in the amenity category.

Second, the legislative intent behind the creation of the Workforce Housing Loan Program was to allow for the creation of more workforce housing units in rural areas that lack supplemental funding (i.e. City grants/loans). We believe a unit production analysis should be used to determine whether the program has achieved the legislative intent. So our concern is that WHLP funds are being proposed for use in Metro areas when the intent of the legislature was to provide a source of funding to rural areas that didn't previously exist.

Third comment: Take the tenant rent level targeting (page 16 item B.2. of QAP) back to the 2016 levels.

Thank you for your consideration and we look forward to continuing to work with the NCHFA.

Sincerely,



James A. Harrell, III