

II. SET-ASIDES, AWARD LIMITATIONS AND COUNTY DESIGNATIONS

A. REHABILITATION SET-ASIDE

The proposed change to the Rehabilitation Set-Aside, which limits a sponsor to a single project, may not allow for renovation of the neediest projects. I think the renovation of the neediest should take preference over spreading the allocation over the maximum number of developers. My position assumes there are significant differences in the needs of the various projects.

II. SET-ASIDES, AWARD LIMITATIONS AND COUNTY DESIGNATIONS

D. NONPROFIT AND CHDO SET-ASIDES AND LIMITS AND NATIONAL HOUSING TRUST FUND

1. SET-ASIDES AND NATIONAL HOUSING TRUST FUND

(c) National Housing Trust Fund

I think National Housing Trust Funds should not be subjected to the same rules as HOME funds. The rules are similar, but it might reduce confusion and complexity if these funds were awarded separately from the HOME funds. To effectively use the NHTF changes could be made between the full and final applications, as was done with the NC Workforce Housing Loan in 2017.

II. SET-ASIDES, AWARD LIMITATIONS AND COUNTY DESIGNATIONS

E. PRINCIPAL AND PROJECT AWARD LIMITS

I do not think either of the two changes in this section will result in the best projects receiving allocations.

1. PRINCIPAL LIMITS

If changes are needed in the maximum amount allotted to a single developer, I propose \$1,700,000 rather than the proposed \$1,600,000. This will be fairer to those developers who have worked on projects they want to resubmit but that, when combined with a second application, would require more credits than the proposed amount.

2. PROJECT LIMIT

I think the limit of the maximum award should stay at \$1,000,000, but, if a reduction is needed, make the limit \$950,000.

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3. AGENCY-DESIGNATED BASIS BOOST

"The Agency can boost the eligible basis of new construction projects committing to the targeting in Section IV(B)(2) by up to ten percent (10%). Projects using the DDA or QCT basis increase are not eligible under this section."

I suspect this potential basis boost is superfluous except for redevelopment projects, since using the basis boost will probably make any application non-competitive. I suspect that most redevelopment projects are in QCTs, but I do not know this to be true.

IV. SELECTION CRITERIA AND THRESHOLD REQUIREMENTS

C. PROJECT DEVELOPMENT COSTS, RPP LIMITATIONS, AND WHLP

3. WORKFORCE HOUSING LOAN PROGRAM

I would propose that, if possible, the workforce housing loan for Moderate Income Counties be changed to 15% (from 12%) of eligible basis or a maximum of \$1,500,000. This would give those moderate-income counties with the lowest Area Median Income (AMI) a better chance to receive an allocation. I note that, based on 2016 income levels, there are 17 moderate income counties that have a lower AMI than Wayne County, which has the highest AMI in Low-Income counties. These counties have a total population of 1,586,115 based on 2016 information. I think they would need the additional three percent to make a project financially feasible if the statutory maximum does not come into play.

IV. SELECTION CRITERIA AND THRESHOLD REQUIREMENTS

E. UNIT MIX AND PROJECT SIZE

2. New construction 9% Tax Credit projects may not exceed the following:

I think that the rule limiting projects in small towns should not include the Metro Region Counties. There will be sufficient demand for a larger project in these small towns. A compromise could be 80 units for the small towns in the Metro Region.

IV. SELECTION CRITERIA AND THRESHOLD REQUIREMENTS

F. SPECIAL CRITERIA AND TIEBREAKERS

2. CREDITS PER UNIT AVERAGE (MAXIMUM 3 POINTS)

I believe that limiting the maximum points for LIHTC/unit to such a narrow range makes the process less fair to all developers. It puts an additional layer of uncertainty in deciding what projects to pursue. I prefer the 2016 spread of 95% - 100% rather than the proposed spread. Another thought would be to set the lower limit for maximum points at 92.5% - 95% of the average rather than 95% of the average. Making the process too difficult to predict may reduce the number of applications and the number of developers.

IV. SELECTION CRITERIA AND THRESHOLD REQUIREMENTS

F. SPECIAL CRITERIA AND TIEBREAKERS

3. APPLICANT BONUS POINT (MAXIMUM 1 POINT)

My response to this proposal is no. This may be an attempt to have more developers receive allocations, but it introduces too much complexity and uncertainty to the process. It also gives an advantage to the developers who submit only one application.