

## Tara Hall

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**From:** Patrick Theismann <ptheismann@beacon-nc.com>  
**Sent:** Thursday, October 12, 2023 10:52 AM  
**To:** Tara Hall; RentalHelp  
**Cc:** George Carr; Sara Jones  
**Subject:** Comments - 2024 First Draft QAP

Tara,  
Good morning and a very happy Thursday to you. I hope you are having a great week so far. Thank you to you and the rest of the NCHFA staff for the comment session. As I said in previous correspondence, it is wonderful that the agency engages industry for comments during this period that the QAP is being draft. It is a total team effort and very much appreciated.

Please see below comments to the draft:

- As noted by several participants in the comments session, I think there is a definite need to increase the max tax credits per project. The 1.2MM max has been the same for several years and I think increasing the max will allow us better leverage of tax credits with other sources of financing.
  - o As noted by George during the listening session, this should also be looked at for Rehab projects as well because we are combining acquisition and LIHTCs which could inhibit larger projects from being rehabbed with the 1.2MM cap.
- I think the inclusion of the metro counties eligibility for WHLP was a great addition. Thank you. As noted previously, even though rents are higher in metro counties, there are still obstacles of inflation in the construction industry and in permanent lending. Also, the land cost is significantly higher in the metro region so the additional sourcing is always welcome. So glad the Metro is now eligible for WHLP. I think this will greatly assist with the development of affordable housing and leveraging additional sources.
- I disagree with reinstating the point deduction to developers for high construction costs for both rehabs and new construction. I strongly feel this should be permanently removed as I do not think it is appropriate to penalize developers for having high construction or rehab costs, especially in the inflationary environment we are currently in. This penalty will simply drive developers to have lower costs when actual costs are higher.
- As previously noted, we could remove the Real Property Form requirement. I think this is a HUD requirement but all of the information that is required in the Real Property Form is contained in the option or purchase agreement. I think it is a redundant form for both the agency and developers.
- I feel there needs to be an increase in the RPP limit as well as per unit amount. The amounts for the High, Moderate and Low income counties have been static for several years. I think they have been the same or very close since the RPP program took over for the state tax credit program. To that point, increasing the max allowed per developer would probably need to be increased if the amounts are increased. I understand it is a finite amount of funding but I believe this will allow developers to better fill the gaps that are getting wider with how much harder it has gotten to obtain soft financing from municipalities and other sources.
- There seems to be an error in the link for small towns. It says the site is not found.
- Decreasing the distances to amenities would be something that I think would be beneficial. Maybe dropping the distances down to a mile or breaking out senior and family properties where the family could stay at 1.5 and senior developments down to 1 mile. I think this is something that would differentiate projects.
  - o To that point, maybe adding bonus points for additional amenities that are closer or something like that.
- In regards to a bus stop, I think some very good projects are missing out on being developed simply because they are more than .25 miles away from a bus stop. I think increasing that to .5 miles would be worthwhile. There could be a breakout of senior and family properties for senior being .25 and family being .5. Secondly, adding an additional point for an uncovered bus stop would be positive as well. Lastly, if a project qualifies for an

uncovered bus stop and can show the municipality's commitment to put a covered bus stop in that location, I think additional points would be warranted. Or increasing the points for an uncovered bus stop

- Even though the points have increased, I think the point cap should be removed for amenities all together and sites be scored for the max number of points they can get for amenities. I think this will really differentiate the sites and bring in the best sites for funding
- Given how competitive our program has gotten and the amount of local talent in North Carolina. I feel that giving preferences or bonus points to local companies is something worth looking at.

Thank you again for your time. Have a wonderful day.

Respectfully,

Be safe and well

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