



December 7, 2022

North Carolina Housing Finance Agency
Attn: Tara Hall
3508 Bush Street
Raleigh, NC 27609

Dear Ms. Hall,

Let us first acknowledge how grateful we were to see the Walk Score removed from the second draft of the 2023 QAP.

We are writing to express our desire to see the development experience eligibility requirements for the 9% Tax Credits add the following language (Section IV. Part D, Subpart 1a):

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) 9% Tax Credit project in North Carolina, (1) tax-exempt bond project in North Carolina, or six (6) separate 9% Tax Credit projects in excess of 200 units.

We do not feel the development, operation, and maintained compliance differences between the 9% Tax Credit projects and bond projects are substantial enough to differentiate between the two options. We believe this will encourage greater usage of the bond project funding while also expanding the developer eligibility for 9% Tax Credits.

Additionally, we feel NCHFA can do more to ensure projects will serve those they were intended to serve for longer periods. We as an industry will never come close to meeting the affordable housing demand if we do not protect our assets from being converted to market rate. We have two suggestions for your consideration.

- 1) Expand the non-profit set aside from 10% to 20%. Non-profit missions encourage reinvestment into the project and are less likely to convert to market rate. Dan Emmanuel, a senior research analyst with the National Low Income Housing Coalition stated, "LIHTC properties with nonprofit owners are less likely to leave the program. Just over a quarter (28.5%) of all multifamily LIHTC properties (programmatic and non-programmatic) are owned by a nonprofit entity. However, the rate of non-programmatic properties to all LIHTC properties is just 21.2%, indicating that nonprofits have a lower propensity to end LIHTC restrictions."

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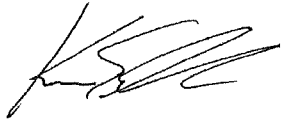
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- 2) Provide additional points to project applications who adopt affordable housing deed restrictions beyond the typical 30-year use agreement. These points could be tiered for various lengths of affordability and would be available to for-profit and non-profit developers.

Thank you for your consideration.



Kevin Schwab
CEO and President
Givens Communities



Teresa Stephens
VP of Affordable Communities
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