

Tara Hall

From: Kinsell Baer, Laura <Laura.KinsellBaer@McCormackBaron.com>
Sent: Wednesday, July 19, 2023 8:29 AM
To: Tara Hall
Cc: Senf, Tracy; Seals, Sandra; Daphne Baker; Scott Farmer; Grant Duffield; K Cheshire; Marla Newman; samuelhu@cityofws.org
Subject: FW: Listening sessions for the 2024 QAP

Hi Tara,

Following up on our listening session meeting on the 2024 QAP with our notes. Thank you, again, for listening and the opportunity to talk through some of our challenges together.

Here were our main points recapped:

1. Allow the set-aside to reach the maximum \$1,200,000 in tax credits. As inflation in construction costs continues to go up by at least 0.05% *a month*, *interest rates remain elevated and insurance costs escalate*, the financing gap on this multi-phase, multi-year project becomes increasingly challenging. If we were able to request the maximum \$1,200,000 in tax credits for the Choice Neighborhood, we could raise an additional \$1.8M in equity per phase.
2. Along the same lines, the project would greatly benefit from a waiver of the Project Development Cost restrictions, as we know from cost proposals, we are receiving from contractors that the project likely would not stay within PDC restrictions as historically required.
3. Allow for mixed-income developments, such as projects under HUD's Choice Neighborhoods program, to apply for RPP funds based on the affordable units.
4. Allow for a penalty-free tax credit year swap. This is mainly due to the fact that all phases of the project are waiting on NC Department of Environmental Quality for Brownfields Environmental Site Management Plan approval, and we have no ability to influence that timeline beyond paying a fee for expedited review, which we did.

We appreciate the opportunity to provide this feedback to NCHFA. These four measures, if accepted, will help ensure the success of the Winston-Salem Choice Neighborhood.

Best regards,

Laura

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