

Listing of Major Revisions, First Draft 2020 QAP

Posted July 29, 2019

This memorandum should be read along with the First Draft 2020 Qualified Allocation Plan (QAP). The listing is in order of appearance and does not include all material changes. The entire QAP is a draft and subject to further revision.

Geographic Regions (page 5)

The population of the Metro counties now exceeds 38% of the state's population. The increased population resulted in the Central losing 1 percentage point.

Redevelopment Projects (page 6)

Documentation for local government initiation of a project will require more than a resolution from the locals stipulating they initiated the project.

Disaster Recovery Funds (page 6)

This section was removed as the funds were a one-time appropriation for the 2019 Housing Credit cycle.

County Income Designations (page 9)

County designations are determined based on the stated criteria. Several counties designation changed from 2019.

Application, Allocation, Monitoring, and Penalty Fees (page 10)

The IRS recently substantially increased the monitoring requirements for Housing Credit properties. As a result, the per unit fee will be increased. Because the possibility remains the IRS may lessen their new requirements, we have not determined what the fee will be. The 2nd QAP draft will contain a fee.

Market Analysis (page 16)

Preliminary and full applications will be required to use the 2019 Rent and Income Limits unless the 2020 limits are released prior to the preliminary application deadline.

Workforce Housing Loan Program (page 19)

The language for WHLP remains despite there being no appropriation for the funds. The eligible basis percentages for Moderate and Low counties have been reduced. Metro counties are ineligible to request WHLP funds. The maximum amount of total WHLP funds to a Principal is \$2,000,000.

Tiebreaker Criteria (page 23)

The first tiebreaker of lowest poverty rate in a census tract has been removed. The second tiebreaker now becomes the first tiebreaker. The new second tiebreaker is the county with the lowest number of 9% tax credit units created over the last 5 years.

Appraisals (page 28)

Comparable properties used in the appraisal must be in reasonable proximity to the project. For example, a site in Burlington cannot use a comp in Wilmington.

Developer Fees (page 31)

The per unit developer fee for new construction projects has been increased to \$13,500. The maximums for 9% and 4% projects has also been increased.

Allocation Terms and Revocation (page 32)

Owners must have Agency approval prior to occupying units.

The Agency welcomes feedback on the First Draft 2020 Qualified Allocation Plan. You may email comments to rentalhelp@nchfa.com.