

Tara Hall

From: Sarah Jones-Anderson <Sarah.Anderson@greyco.com>
Sent: Friday, October 15, 2021 11:33 AM
To: RentalHelp
Cc: Tanya Eastwood; Amie Cofini; Will Eckstein
Subject: NCHFA 2022 QAP Draft Comments

On behalf of Greystone Affordable Development, we would like to thank North Carolina Housing Finance Agency's commitment to affordable housing and the people of North Carolina. We also appreciate the opportunity to provide comments to the draft 2022 QAP.

NCHFA QAP 2022 (Draft)

Section II.E.1.a - Do returned credits from 2019 and 2020 that are then re-issued count towards the 2022 maximum tax credit award of \$2,000,000 to a single developer as explained in this section?

Section IV.B.3.b. We believe that that Income Averaging should not be an irrevocable election on the full application. This topic continues to be negotiated on the proper definition and the use by the IRS and the industry. We believe that developers should continue to pursue income averaging, but if investors cannot get comfortable with the election, owners should be able to unselect income averaging and not have to pay the monitoring fee.

Section IV.C.I.(a) While appreciative that the PDC per unit (Lines 5 and 6) has been increased to \$89,000 before negative points are assessed, we believe that is still not in line with the extensive construction costs increases (materials and labor) that all markets continue to experience. With continued shortages and anticipated supply chain disruptions, this could only get worse before it gets better. This simply encourages developers to seek cheaper and perhaps less sustainable materials. Or worse, developers are incentivized to use numbers for the application only, knowing it is not realistic to build for that budget number (hence, the extreme need for many 2019 and 2020 awards to exchange credits as they sought additional funding sources to cover the real costs.)

A more realistic threshold should be \$99,000 per unit. The per Principal credit caps as well as the CPU tie breaker ensures that credits are spread as efficiently as possible in order to maximize the number of awards.

Appendix B

F. Kitchens

3. Pantry shelving should be reduced to 16 inch minimum (not 20 inches)
6. Ice makers should not be required as they can be an on-going maintenance issue. It is certainly OK to install cold water supply lines and box in the wall behind the refrigerator, but the maker itself should be optional (especially in rehabs, where installing water lines to the fridge becomes costly).
9. Pantry cabinets are usually at the end of the cabinet run. Being able to accommodate 60" centers on the door space may be difficult in certain unit layouts.
12. Base and shoe molding may interfere with anti-tip and hold ranges away from wall (#11 requires ranges to be installed to fit flush to the wall, with range cords recessed into the wall.)

Thank you.

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