



North Carolina General Assembly
House of Representatives

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October 11, 2023

NCHFA

Attn: Tara Hall

3508 Bush St

Raleigh, NC 27609

rentalhelp@nchfa.com

Dear Ms. Hall,

We submit the following for your consideration of an enhancement to the 2024 QAP - one which we believe will further the mission of NCHFA, HUD, and the affordable housing community in general.

As you well know, HUD's 202 competition rewards maximum leveraging of other funds, but does not allow this award to be increased to keep pace with recent construction inflation. This puts the reliable delivery of any proposal into question and makes construction a less certain enterprise--- no one wants that.

As such, we respectfully request that the 2024 QAP be enhanced to reward deals with HUD 202 or 811 federal funding awards. Specifically, we suggest either of the two following:

Option 1) added to the Tenant Rent Levels section of the QAP. Adjust the maximum score to three points. Add the following "Three points will be awarded if at least 50% of the qualified low-income units will be funded with an approved HUD Section 202 or HUD Section 811 PRAC"

Option 2) added to the Special Criteria section of the QAP. Add the following as #7 "Projects with an approved HUD Section 202 or HUD Section 811 PRAC for at least 50% of the qualified low-income units will be awarded three points"

As you know, these HUD programs bring significant dollars, however, they process slowly thus giving room for construction inflation risk to be realized. They then lack the flexibility to adapt to increases in construction costs so common in our current environment.

This change would position NC as a leader in bridging the gap between otherwise compatible funding programs. We kindly call on you to enact this enhancement to the 2024 QAP.

Thank you,

A handwritten signature in black ink that reads "Harry Warren". The signature is written in a cursive style with a large, sweeping "H" and "W".

Rep. Harry Warren
NC State House of Representatives
District 76, Rowan County