



631 Dickinson Avenue, Greenville, North Carolina 27834

November 17, 2023

Ms. Tara Hall
North Carolina Housing Finance Agency
3508 Bush Street
Raleigh, NC 27609

RE: Comments to Qualified Allocation Plan – Second Draft

Tara:

I am writing to provide comments for your consideration pertaining to the Second Draft of the 2024 Qualified Allocation Plan (“QAP”).

First, please consider removing the Third Tiebreaker, Earliest Preliminary Application Submission, altogether. Consider the following:

- Establishing an early deadline effectively creates a new first deadline as many applicants, our firm included, will likely submit most, if not all, applications as soon after 1/1/2024 at 12:00:00 a.m. as possible in an effort to be competitive.
- There is a high likelihood that, because this is a competitive factor, many applicants will be positioned to submit their applications at 12:00:01 a.m. The possibility exists that this many applications being submitted at once could cause technical challenges for the system – if the system “crashes,” how will NCHFA then determine which applications were submitted first?
- Establishing a time-specific competitive factor seems subject to manipulation which creates unfair competition – the possibility exists that applicants could use technology that would enable a submission simultaneous to the clock reaching 12:00:00 a.m. on 1/1/24.
- Having the early submission deadline on 1/1/2024 at 12:00:00 a.m. will cause applicants who want to be competitive to have to be in the office preparing to submit applications on New Years Eve.
- An early submission deadline is arbitrary and, in our opinion, does nothing to improve the quality of the submitted applications.
- Historically speaking, our firm (and I assume other firms) regularly identify potential sites to submit after the New Year, but before the Preliminary Application deadline. In addition, it is not uncommon to still be in the process of finalizing site control on a potential site up to (and including) the Preliminary Application deadline. An Earliest Preliminary Application Submission deadline effectively removes any opportunity to identify a new site or finalize a contract and still be competitive after January 1.
- From an architectural standpoint, having an Earliest Preliminary Application Submission deadline of 1/1/24 means that architects will have to have their plans completed several days before the

proposed 1/1/24 deadline. This means that, as developers, we must have identified and provided details to the architects well before the end of the year, thus, requiring us to finalize our site selection in mid-December which is historically shortly after or at/around the time the FINAL QAP is released. Obviously, finalizing your site search before (or shortly after) the QAP has been formally approved is not an ideal scenario.

If NCHFA makes the decision to keep the proposed Earliest Preliminary Application Submission tie breaker, please consider the following:

- Please change the proposed Earliest Preliminary Application Submission date to January 5, 2024, which will enable applicants to submit their Preliminary Application(s) outside of the New Year holiday and will give architects the additional time necessary to complete their plan sets.
- Based on my 11/6/23 correspondence with you regarding applications submitted BEFORE the proposed 1/1/2024 deadline, you stated that “As far as the tiebreaker, timing will not be considered for applications submitted prior to 1/1/2024.” Please consider abandoning this position and allowing ANY application(s) submitted prior to 1/1/2024 (or a revised date) to be considered as having been submitted at 12:00:00 a.m. on the early submission date that is ultimately reflected in the FINAL QAP. It is not fair for a deal that is submitted on, say, 12/20/23 to not be considered in the early submission tie breaker.
- Please provide a column of the date/times submitted on the Preliminary Applications spreadsheet that NCHFA provides after Preliminary Application submission. While application submittal time is not a score item, it will likely be the criteria that determines which applications will win and is critical information for developers. In past years when lowest poverty rate was the critical factor, the Preliminary Applications list included the property address so developers knew where they stood on the most critical tie breaker. The Preliminary Applications list includes other non-score related information including if the project has requested RPP. Applications submitted after the Earliest Preliminary Application Submission will clearly be at a competitive disadvantage. If, for example, there were multiple deals in the same county that submitted their applications before an applicant, that applicant would not have a competitive path forward and, thus, could withdraw their application and receive a refund on their application and market study fees.
- The third tie breaker uses the word “After” in describing the Earliest Preliminary Application Submission deadline. Please provide clarification on the word “After.” Is “After” 12:00:01 on 1/1/24 OR is it any application submitted AFTER 1/1/2024, which some would interpret as 1/2/2024 at 12:00:00 a.m. – which is definitionally the first date AFTER 1/1/2024.

Thank you in advance for your consideration, please feel free to reach out to me if you have any questions or need additional information.

Warmest Regards,



Dustin T. Mills
President