



WODA COOPER COMPANIES

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August 1st, 2019

Scott Farmer
Executive Director
North Carolina Housing Finance Authority
3508 Bush Street
Raleigh, NC 27609-7509

RE: 2020 QAP 1st Draft Comments

Dear Mr. Farmer,

On behalf of Woda Cooper Companies, Inc., we are pleased to submit the following comments regarding the 1st draft of the 2020 North Carolina Housing Finance Agency Qualified Allocation Plan (QAP). We hope these comments will assist the North Carolina Housing Finance Agency (NCHFA) in facilitating the development, rehabilitation and financing of low- to moderate-income housing.

1. *Applicant Bonus Point: An Applicant is entitled one bonus point which can be awarded to one application as part of the full application submission. No application can receive more than one bonus point. No Principal or Applicant is entitled to more than one bonus point for all applications in which they may be involved. If a Principal is part of an application in which he/she is not the Applicant but that application receives a Bonus Point, the Principal will not be entitled to use a Bonus Point as an Applicant or Principal on another application. Should an Applicant or Principal use a bonus point on two or more applications, the Agency will determine which application receives the bonus point.*

The purpose of the QAP is to influence behavior by creating scoring criteria that ultimately benefits the residents. For example, a large portion of the scoring rewards projects for being close to certain amenities which improves the quality of life for the residents. By doing so, NCHFA has indicated standards for what constitutes a good development. However, the bonus point does not add any value to the residents. Thus, we respectfully request NCHFA remove the bonus point from consideration and consider maintaining a scoring system that links points to improving the quality of life of residents.

2. *Credits Per Unit Average: The Agency will calculate the average federal tax credits per low-income unit requested on a geographic set-aside basis among new construction full applications and award points based on the following: Within 4% of the average 2 points*

First Tiebreaker: The project requesting the least amount of federal tax credits per low-income unit based on the Agency's equity needs analysis.

These two scoring criteria together means that an application would want to be exactly 4% below the average. This ultimately creates a race to the bottom that results in negative repercussions in that applicants will undermine the quality of the development as a whole just to get an award of tax credits or engineer their numbers, so they do not accurately reflect reality. This will also lead to developers going back to NCHFA asking for more resources in an attempt to rescue developments that were not

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well thought out in the first place. As such, we respectfully request NCHFA reinstate the tiebreaker from prior QAPs that awards tax credits to the project in the census tract with the lowest percentage of families below the poverty rate. This is good public policy that does not concentrate poverty.

Please contact me at (912) 224-2169 if you have any questions. Again, we greatly value this opportunity to provide feedback as we find it important to creating good public policy and look forward to partnering with you more in the future.

Sincerely,



Denis Blackburne
Senior Vice President
Woda Cooper Companies, Inc.

Cc: Jeffrey J. Woda, President, Woda Cooper Companies, Inc.
David Cooper, Jr., Executive Vice President & General Counsel, Woda Cooper Companies, Inc.
Chris Austin, NCHFA

