

Tara Hall

From: D'Anne Hilsmier <d_anne@grhco.com>
Sent: Wednesday, November 20, 2024 1:21 PM
To: RentalHelp
Cc: Gary Hammond
Subject: EXTERNAL: 2025 QAP 2nd Draft - Comments

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We thank you [and all the staff] for running an excellent credit program in North Carolina. After reviewing the 2nd Draft of the following recommendations below for you to consider.

1. Agency-Designated Basis Boost (p.8)
We suggest the original 10% boost remains in the QAP for projects targeting Section IV(B)(2) as originally provided for in the initial draft and keep the Hurricane Helene disaster area as an additional opportunity to incentivize development to these areas. With the shortened time frame until pre-application this negatively impacts many projects that have been working on sites throughout the year and unfairly penalizes them. Like us, many developers have already put their deals together, have signed purchase contracts, and rezoning applications are underway. It is too late and unfair to make this change so late in the application process.
2. Site Evaluation (ii) Amenities (p.12)
Continue to keep the Senior and Community Center as a separate point scoring category, allowing for 49 points in this section. A Senior Center and Community Center provides a unique opportunity for projects to differentiate from the competition with these unique resources. By lumping these amenities into "Public Facilities" it undermines the supportive service nature of this specific type of amenity. A park and library do not require interaction for activities, whereas a Senior or Community Center have services that require interaction to get the benefit of their programming. For some, this may be the only interaction they have outside of their home.
3. Project Development Costs (p.17)
Please remove the cost caps within the QAP. The maximum credits per project are sufficient to limit the project size. These cost caps keep limiting the types of finishes, amenities, and other standard packages that are being offered in the rental market, further distinguishing an LIHTC apartment community to market rate apartment rental homes. Removing the cost cap would be the preference, but if not removing the cap, the \$130,000 cost cap needs to be increased to allow our affordable housing communities to keep up with the current apartment market conditions.
4. Applicant Bonus Point (p.22)
We recommend allowing only 1 (one) bonus point per applicant per round. This is a way for the applicant to give their higher priority/best application the point. By eliminating the 2nd point, NCHFA will be reviewing the best applications from each developer.

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