

Listing of Major Revisions, First Draft 2018 QAP Posted July 31, 2017

This memorandum should be read along with the First Draft 2018 Qualified Allocation Plan (QAP). The listing is in order of appearance and does not include all material changes. The entire QAP is a draft and subject to further revision.

Rehabilitation Set-Aside (page 5)

Due to the limited number of awards each year in this set-aside, awards are limited to one per Principal.

Redevelopment Project (page 5)

Due to the declining number of overall awards and the number of projects requesting and receiving this designation, the required number of Redevelopment Project awards has been reduced to one.

Principal and Project Award Limits (page 7)

The Principal maximum has been reduced to \$1,600,000 and the per project maximum request has been reduced to \$900,000.

Agency Designated Boost (page 7)

With the drop in credit pricing and increase in interest rates, the Agency Designated Boost has been reinstated for those new construction projects committing to deeper targeting.

County Income Designations (page 8)

County designations are determined based on the stated criteria. A number of counties designation changed from 2017.

Site Score Criteria (page 11)

An application must have a minimum total score of 45 points.

The distance for maximum amenity points in a Small Town has been reduced to 1.5 miles. A vast majority of the applications qualifying as a Small Town met this reduced mileage indicating 2 miles was too generous.

Bonus points have been further clarified.

Negative points will be assessed to a site deemed to be inappropriate for housing. Examples include but are not limited to: a site bound by a highway and a commercial building, a site split by easement, topography, or parcel delineations with buildings on either side of the split, or having proposed parking a significant distance from buildings.

Maximum Project Development Costs (page 17)

Costs for Chart A and Chart B have been increased by \$2,000 per unit. The line 5 and 6 minimum has been increased to \$63,000 per unit. There is now a per unit cap for adaptive reuse projects. Building permits will no longer be part of the per unit calculation.

RPP Restrictions (page 18)

Clarifying the entity with the larger loan amount between the Agency and local government will have the higher lien position. For equal loan amounts, the local government will have the higher lien position.

Workforce Housing Loan Program (page 18)

The statutory maximums for Moderate and Low Income counties have been increased.

Project Size (page 20)

Projects qualifying as a Small Town cannot exceed 48 units. The rationale is smaller sized towns should have smaller sized projects.

Credits Per Unit Average (page 21)

Points will be awarded based on a project's credit per unit request being within 2.5% and 5% of the average and 7.5% below the average within a region.

Applicant Bonus Point (page 21)

An Applicant can give one project one bonus point as part of the full application submission. Each Applicant/Principal is entitled to only one point regardless of how many applications he/she may be a part of and regardless of their role in the project.

Tiebreaker Criteria (page 22)

The second and third tiebreakers are reversed from what they were in 2017.

Rehabilitation Project Criteria (page 24)

The minimum amount of rehabilitation has been increased to \$25,000 per unit. The maximum total replacement cost has been increased to \$130,000 per unit.

A project will have a reduced likelihood of receiving an award of tax credits if the Agency determines the property has not been properly maintained and any current owner will remain part of the new ownership.

Operating Expenses (page 28)

Minimum per unit operating expenses have been increased by \$200 per unit.

Operating Reserve (page 28)

Bond projects are required to have an operating reserve equal to six months debt service and operating expenses.

The Agency welcomes feedback on the First Draft 2018 Qualified Allocation Plan. You may email comments to rentalhelp@nchfa.com.