

Rutherfordton

A MINTED ORIGINAL

December 12, 2017

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

Mr. Farmer,

There has been no workforce housing built in the Town of Rutherfordton North Carolina in nearly two decades and as we've grown and added jobs there is a definite need for high quality affordable housing in our Town.

While we are working with a developer that had hoped to bring about LIHTC housing we have been informed that this is now an impossibility in our community due to recent revisions made by the NC Housing Finance Agency.

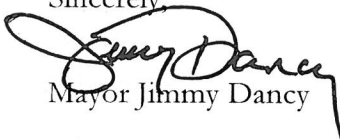
Particularly impactful is the change in mileage to amenities that was <2 miles and is now <1.5 miles thereby eliminating potential sites in our community. This revision penalizes rural developers and has caused our Town to be completely ineligible for LITHC housing development.

- A market study was commissioned by a long-term agency approved analyst and its results illustrated strong demand with an overall capture ratio of 10.9% and unit capture ratio's as low as 2.9%
- The study further indicated demand for 60 units with no existing supply, furthering our position on the need for housing in Rutherfordton

Our Town is directly and negatively impacted by the revisions made to the 2018 Qualified Allocation Plan by your office. Rutherfordton is penalized by these changes-while the revisions may have affected the 'many' it has discounted the 'few' in rural locales such as our community.

We will be corresponding with local and state representatives regarding this matter and respectfully request that you reconsider your position on these issues in the 2019 cycle so that we can achieve much needed high-quality affordable housing in Rutherfordton.

Sincerely,



Mayor Jimmy Dancy

cc: Rep. David Rogers
Sen. Ralph Hise

Town of Rutherfordton

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"Service Forged at the Highest Standard"

Chris Austin

From: Mark Morgan <mark@mcmainc.com>
Sent: Wednesday, June 20, 2018 1:44 PM
To: Chris Austin
Subject: Add Sam's, BJ's and Costco to Amenities

Chris,

Please add Sam's, BJ's and Costco to the amenities list for Grocery, Shopping, and Pharmacy.

Families and especially the elderly will pay the \$50 a year to buy bulk and deeply discounted drugs. Most membership discount stores offer free memberships to elderly.

Thanks

MC Morgan & Associates, Inc.
P.O. Box 16038
High Point, NC 27261
(336) 689-0447
mark@mcmainc.com

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Chris Austin

From: Lazarus, Laura <llazarus@telesiscorp.com>
Sent: Sunday, July 08, 2018 3:57 PM
To: RentalHelp; Chris Austin
Subject: Comments for the 2019 QAP

We are writing to request that the North Carolina Housing Finance Agency (the “Agency”) consider broadening the meaning of “distressed” in the consideration of how the Agency prioritizes Rehabilitation projects under Section H.3. in the draft 2019 Qualified Allocation Plan (“QAP”).

Currently, the QAP states that the Agency will prioritize the most “distressed” housing. We would ask that the Agency consider “distressed” to also include projects experiencing serious financial difficulties. Specifically where the income generated does not cover the expenses sufficiently for the long term. The reasons include the costs of maintaining the physical buildings and/or physical issues that impact the operation costs. While the buildings may not yet be in poor condition, if operations cannot be maintained than they too will ultimately fall into physical distress.

Thank you very much for your consideration and we are happy to discuss this issue further with you or your staff.

Best,

Laura Lazarus

Laura Lazarus
Chief Operating Officer

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Initial Comments to the first draft of the North Carolina Low-Income Housing Tax Credit (LIHTC) Qualified Allocation Plan (QAP).

The allocations by region may need a slight tweak. The 2017 NC Counties Population estimate would take 1% away from the Central Region and Give it to the Metro Region. This would lower the Central Region to 23% and Increase the Metro Region to 38%.

I think the limit on the total LIHTC awarded to a principal should be raised to \$2,000,000. This would allow a principal to receive relatively the same percentage of the total LIHTC as they have in the past. (Section II E. Principal and Project Award Limits 1. Principal Limits)

I think that the limit on the maximum award to any one project should be raised to \$1,100,000. This would make the maximum award approximately the same percentage of the total LIHTC as previous years. (Section II E. Principal and Project Award Limits 2. Project Limits)

I am confused by the monitoring fee additional information. Will the owner of a project financed with an Agency issued bond be assessed a fee of \$1,200 per unit or \$900 per unit with an additional \$1,200 fee? (Section III B. Application, Allocation, Monitoring and Penalty Fees 5.)

The maximum site evaluation is now 60 points rather than 62 points. (Section IV Selection Criteria and Threshold Requirements, A. Site and Market Evaluation 1. Site Evaluation (Maximum 62 Points)

The limit on the total for Line 5 and 6 of the PDC Description needs to be adjusted to reflect that Chart B projects are likely to need more than \$90,000 per unit. Leaving this in as currently written will exclude mid-rise elderly project and most of the other projects listed as a Chart B project. . (Section IV Selection Criteria and Threshold Requirements, A. Site and Market Evaluation 2 Market Analysis. C. Project Development Costs, RPP Limitations, and WHLP (b))

The Agency approval of projects with in excess of 200 units needs to be modified to reflect the “floating” application dates. There is no fixed preliminary application date for some projects. Perhaps an approval process could be initiated x days before the application is submitted. Section IV Selection Criteria and Threshold Requirements, E. Unit Mix and Project Size 3.)

The Operating R language showing a minimum of \$1,500 per unit is less than ½ of the minimum operating expenses. Since the higher requirement is in place I am not sure that the language needs to be changed

Respectively submitted by Thomas W. Urquhart

Chris Austin

From: Ricky Figueroa <ricky@ccinvest.com>
Sent: Tuesday, August 07, 2018 11:30 AM
To: RentalHelp
Subject: Draft 2019 QAP Comments

To Whom It May Concern,

After reviewing the Draft 2019 QAP released last week, we respectfully request NCHFA to consider the following:

1. **Sec. D.1. Development Experience** requires any principal to have successfully developed 1 NC 9% project or 6 separate 9% projects nationwide totaling over 200+ units in order to be eligible to apply for tax credits. We believe this bar is excessively high for non-NC developers and is facially discriminatory to out of state developers.
 - a. As an alternative, we respectfully suggest that the barrier to entry should be 6 separate 9% projects **OR** 9% projects totaling 200+ units.
 - b. There should also be exceptions for non-NC developers partnering with local housing authorities in their Ownership structure or with significant involvement.

Requiring such a hurdle unreasonably deters out of state developers from developing properties in NC. Many existing affordable housing projects are owned by out of state owners, and requiring so much of them deters them from putting existing affordable housing stock through 9% rehabs because it either requires them to dispose of their project to a 3rd party or requires sharing Ownership with a 3rd party. Most Owners will not want to do this, so NC’s affordable housing stock will remain underdeveloped. For this reason, the bar should be lowered.

Additionally, if the concern is to have local interests driving development, you should make the exception for developers partnering with local housing agencies in the form of financing, subsidy, or in the form of ownership or development partnering. It will guarantee that local interests are being addressed and that there is local support for the development.

Thank you for your consideration.

Ricky Figueroa, Acquisitions

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