



GEM Management, Inc.

October 16, 2012

Mr. Scott Farmer  
NCHFA

Via Email: bsfarmer@nchfa.com

Dear Mr. Farmer:

I have read all of the comments posted on your website concerning the 2013 QAP. I also attended the public hearing to hear the comments offered there. As the deadline for comments is approaching I would like to offer the following:

After listening to my peers in the business, as well as some of your staff members, it is pretty obvious that some of the best and/or most reasonably priced sites will not be selected for funding, and probably not even submitted as long as the current distances to shopping remain in place. As you are aware, as long as this is in place you are going to receive numerous applications that meet this point category so it will not really separate applications in the established point system. It doesn't make sense to me to leave it in place if it is in fact driving up land costs and sometimes excluding better sites a bit further from shopping.

I very much like what you are proposing for the Metro Counties. This past year I learned just how political the process has been in at least two of these Metro Counties in our state. In one of them a county staff member actually directed a developer to call a local non-profit developer, who was competing for the same funds, because that staff member thought that the program was run by the non-profit. In the other county the staff was not following their own published guidelines and changing the rules during the process to eliminate applications from developers other than their "chosen few". It took action from the county attorney and commissioners to rectify this and stop a potential lawsuit.

Bottom line is that this local funding will still be an advantage as long as the "lowest credits per unit" points are still in place. However, at least the playing field can be leveled somewhat.

2021 Cross Beam Drive • Charlotte, North Carolina 28217  
704-357-6000 • Fax 704 357-1881 • gmi@gemmanagement.net

Equal Housing Opportunity

Although not a comment for the proposed 2013 QAP I would like to say that I believe it is imperative that we look for ways to lower the future cost of LIHTC housing in our state. Many of the categories in the QAP have driven the cost of this housing up considerably. We need to be cognizant of this and look for ways this can be reduced. We provide a very necessary service to the citizens of North Carolina as well as provide jobs for a large number of people. We need to do everything within our power to protect these citizens and our industry.

Sincerely,

A handwritten signature in cursive script that reads "Gary Ellis".

Gary D. Ellis  
President