



National Services  
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www.VolunteersofAmerica.org

October 31, 2013

Mr. Chris Austin  
North Carolina Housing Finance Agency  
3508 Bush St.  
Raleigh NC 27609

RE: Request for changes to consider for the 2014 Qualified Allocation Plan

Dear Mr. Austin:

Thank you for giving us the opportunity to comment on the 2014 QAP. The following are Volunteers of America's suggestions for the current draft QAP:

- 20% maximum non-profit participation: we believe awards should go to the best projects, regardless of whether the developer is a for-profit or not. This proposed cap is counter to the intent of the tax credit program, and should be eliminated. The tax code for the LIHTC contains a provision requiring state agencies to set aside 10% of their allocation for use by nonprofit organizations. The provision was inserted to prevent for profit organizations from monopolizing the credit allocation. It was recognized that for profits generally would have the financial resources, and in many cases political resources, nonprofits did not to influence the allocation of credits – therefore a set-aside for nonprofits was needed. The fact that the QAP proposes capping nonprofit participation is exactly why the legislation was needed. In this case, the for-profits applying will be assured 80% of the allocation, no matter how worthy the nonprofit organization application is, if it exceeds the 20% cap. We strongly encourage you to drop this provision.
- 500 feet from a detrimental use: the distance from a detrimental use should be measured not from the property line, but from the distance to the building. A building on one end of a long, narrow parcel whose lot line borders on, say, a railroad could easily be located further away from the railroad than a building which is closer to the railroad but whose lot line does not touch the railroad.
- Keep federally subsidized housing preservation in priorities: we advocate keeping the most distressed federally subsidized projects in the priority category. For expired 9% LIHTCs, most states are encouraging these projects to recapitalize using 4% LIHTCs and bonds, and filling the gap with HOME or state funds.
- Change the 1 mile radius shopping to 1.5 to 2 miles for new construction and 2 miles for adaptive reuse: this criteria eliminates most parcels from consideration, especially those that make economic sense. Most tenants have cars, which makes the absolute distance less important.
- Local developer issue: although VOA no longer is affected by this issue, we believe the best developers should be allowed to build tax credit housing in North Carolina regardless of their location. Many NC developers build in other states that do not have such restrictive policies. Please consider eliminating this provision.

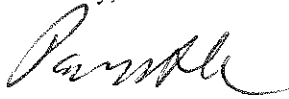
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- Change to 200 points for 2015 QAP: while this may be a future consideration, please consider increasing the number of points to 200. Right now, the point system cannot differentiate well between good and mediocre projects, and tie breakers must be used, which everyone dislikes.

Thank you for listening to our concerns and comments.

Sincerely,

A handwritten signature in cursive script, appearing to read "Patrick Sheridan".

Patrick Sheridan  
Senior Vice President