



2306-A West Main St., Richmond, Virginia 23220 • office: (804) 272.2009 • fax: (804) 367.5809

November 2, 2015

Mr. Chris Austin
NCHFA
3508 Bush Street
Raleigh, NC 27609

Dear Mr. Austin:

I appreciate the opportunity to submit comments regarding the 2016 proposed QAP. I would like to submit the following comments at this time:

- 1) Allow developers to take the full equity from higher equity pricing and use for unanticipated costs or to lower the deferred developer fee. By capping this, many equity providers are just offering more to developers working in other States for their developments there to counter the lower pricing on their projects here in NC. This makes it appear as if developments in other States are worth more and it's putting NC developers at a disadvantage when it comes to unexpected development issues that are out of our control.
- 2) II.E.1.a. Keep the Principal cap at \$1.8 million. Do not limit on a per project basis.
- 3) IV.A.1.b.(ii)- Amenities-Please keep the ability to count a grocery, shopping and pharmacy as a primary amenity in one location. By giving less points, this is a disadvantage to the more rural areas of a County, which many times may not be able to support a grocery store beside of a Walmart. These are the areas that really need affordable housing but they will lose out every time to the larger towns in any County with this methodology in place. Also, it's truly an advantage for residents to have all of these in one place. If anything, don't cap the extra amenities at 6 points, and offer 2 or 3 additional spots, 1 for a Goodwill, Salvation Army or other thrift shop, and 2 for an extra of any category. Also, let a pharmacy that does not offer general merchandise count since you already have shopping separately.
- 4) Strike the IV.C.3.(a) regarding the combination of local funds plus WHLP may not exceed the initial WHLP maximum as calculated in (c) below. Since there would be no incentive to get local funds (ie. additional below market financing to reduce credits per unit), then developers simply won't and there will be less leveraging of funds in NC. I believe the intended consequence won't be to reduce the WHLP requests, but it will be to reduce leveraging for the tax credit program.



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- 5) II.F. (a) Change this to No county will be awarded more than two projects under the new construction set aside. Or at a minimum, consider changing this based on County population.
- 6) IV.D.1.(a) Developer Experience- I do not support adding any additional changes from what has been put forth at this time, including any additional rules regarding equal guarantees for all parties as there may be great variances in the financial ability of all parties to share equally in guarantees as one may have more experience in development in NC and one in financial wherewithal, both important, and also many non-profits, in particular, cannot provide equal guarantees when they are partnering.

Thanks again for this opportunity.

Respectfully,

A handwritten signature in blue ink that reads "Traci Dusenbury".

Traci Dusenbury
Managing Member



HALCON COMPANIES LLC
HALCON DEVELOPMENT LLC
HALCON PROPERTIES LLC