



# LAUREL RUN MANAGEMENT GROUP

*High Performance Development and Asset Management*

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September 2, 2015

Mr. Scott Farmer  
Director of Rental Investment  
North Carolina Finance Agency  
3508 Bush Street  
Raleigh, NC 27609

Re: QAP Comments 2016

Dear Mr. Farmer:

Please find herein my comments concerning changes I believe would be beneficial for implementation in the 2016 QAP. I appreciate the opportunity to provide these comments and suggestions for the betterment of a highly successful program.

**Principal and Project Award Limits:** My suggestion is to reduce the Principal Limits to a total maximum award of \$1,500,000 in tax credits. Combining this change with reducing the Project Limit to a maximum of \$750,000 thereby limits one Principal to a two project maximum. I have reviewed the 2014 and 2015 Housing Credit Funded Project List. In each year only a total of six projects, excluding Tax Exempt Bond projects, received awards greater than \$750,000. I believe that by limiting these projects to a maximum of \$750,000 and future allocations to the same limit would have resulted in roughly an additional \$400,365 in 2014 of tax credits available to fund other needed projects Statewide. In 2015 an additional \$326,017 in tax credits would have been available to fund other projects if this limit change had been implemented. Assuming an average award of \$7,300 per unit yields an additional 99.5 units that could have been built or renovated over two years with this limit in place. The Affordable Housing community continues to face the challenges of scarce resources. In summary my suggestion to implement these limits will generate approximately 100 new units needed for the affordable housing community consisting of family and elderly households.



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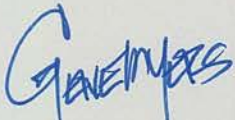
**Capability of the Project Team:** I feel it is imperative for the Housing Finance Agency to stress the importance of finding qualified Developers' because of the complexity of these projects. However, I recommend removal of the caveat that the projects have been placed in service between 1/1/2008 and 1/1/2014. Limiting criteria to these dates ignores the fact that there are many qualified Developers' that have successfully placed in Service and Operated projects in the State for over 15 years. My suggestion is to remove the arbitrary time line and simply say:

"Successfully developed and operated and maintained compliance one Tax Credit project in North Carolina." Another possibility would be to grant experience for projects in other states because we are implementing a Federal program and many developers' have successful track records in more than one State. Why limit the "gene pool" by imposing language that clearly minimizes competition and innovation?

**General Contractor Points:** My recommendations in this area mimics my suggestion related to limiting Principals to North Carolina experience only. I say lets level the playing field and reward experience and qualifications based on track record as opposed to geographic location.

Thanks again for the opportunity to offer constructive suggestions for the 2016 QAP. If I may offer clarification or further assist please contact me.

Sincerely,



Gene Myers  
Broker In Charge