

August 30, 2012

NC Housing Finance Agency
Attn: Rental Investment
3508 Bush Street
Raleigh, NC 27609

Re: Recognizing Local Government Affordable Housing Priorities in the 2013 QAP

To Whom It May Concern:

In anticipation of the NCHFA's 2013 QAP, we would like to propose certain changes to the ranking process that will better address local government affordable housing priorities. As you know, only those sites that obtained a perfect Site Evaluation score were competitive for an allocation of tax credits this past year. While the 2012 QAP did champion local government sponsored redevelopment efforts by including them in the maximum scoring Neighborhood Characteristics category, the ½ mile proximity scoring criteria rendered many of these projects and other local government affordable housing priorities non-competitive.

Local government redevelopment projects are not often located in the best neighborhoods with immediate proximity to grocery stores, shopping and pharmacies. Further, local governments are hamstrung by what they currently own, and do not have the flexibility that private developers have in selecting competitive land according to changing QAP rules. By giving maximum points to projects that are within a ½ mile of a grocery store, shopping or pharmacy, the QAP effectively prohibits most local governments from being competitive with private developments.

To ensure that these local government priorities can be competitive with private developments, we would like to propose three possible suggestions which could independently level the playing field:

1). Expand the Distance of Measure for Proximity Points

Expanding the maximum point scoring threshold to a 1 mile driving distance for municipalities and public housing authorities will provide a way for public land to compete without eliminating your public policy goals.

To evidence that the project was a redevelopment of public housing, the Applicant would need to provide a letter from a public housing authority (dated within 12 months of the application) certifying that there is an existing Declaration of Trust between the public housing authority and HUD. To evidence a public-private partnership, the Applicant would need to submit an awarded RFP or development agreement for the submitted site.

2). Additional Services

In addition to grocery stores and pharmacies, there are many other services that improve the quality of life for residents. By expanding the metrics by which you measure a site's proximity to amenities, the NCHFA could better capture the quality of the neighborhood. Applicants need to evidence the fact that they are within 1.0 mile of four (4) of the seven (7) applicable amenities below to achieve a maximum possible score.

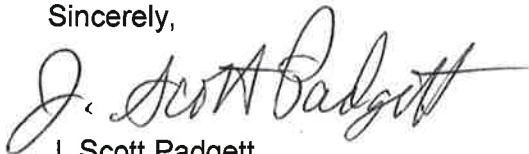
Amenities could include:

- Grocery Store
- Pharmacy
- Public Park
- Community Center
- Public School (applicable for family developments only)
- Public Library
- Medical Facility
- Senior Center (applicable for elderly developments only)

Outside of these issues, we also recognized that no points were awarded to non-metro regions that provided local government subsidies this year. This was based on the concern that not all cities received the same eligible sources (as an example, many smaller cities were limited to CDBG funds, whose long-term availability was unknown). For the 2013 QAP, we would like to re-introduce the point scoring for non-metro areas in the Mortgage Subsidies category – however, with reduced per unit contributions (half of the per-unit-thresholds in the 2011 QAP). This is based on the belief that *any evidence* of local government support further validates the Application as a local government priority. Further, applications that have secured HUD funding of any kind should be granted a preference as they demonstrate the ability to provide gap financing to make the project viable.

On behalf of the City of Concord I would like to thank you in advance for your consideration of these recommendations. I believe strongly that a revamped QAP will provide our City and other local governments with an opportunity to make compelling cases for redevelopment opportunities that exist that do not currently score well.

Sincerely,



J. Scott Padgett
Mayor

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cc: W. Brian Hiatt, City Manager
Margaret Pearson, Director P&ND