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August 29, 2013

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

RE: 2014 QUALIFIED ALLOCATION PLAN

Gentlemen:

I would first like to thank the agency for giving the Guilford County delegation the opportunity to meet on July 17<sup>th</sup> to convey our serious concerns about the 2013 QAP. As a number of us expressed at that meeting, Guilford County was severely injured with a number of the revisions made in 2013 and we feel very strongly in the interest of fairness that the agency's policies must change in the coming year. As you well know, Guilford has 2 major cities, numerous well populated townships and with its population of 500,879, constitutes the 3<sup>rd</sup> largest county in the state. Our County's characteristics are far more similar to the urban nature of the Metro category than to the rural regions covered by the Central classification. In addition, we bring significant per capita credit volume to the Central category but are greatly handicapped in the competition by the advantages and added subsidies afforded to the rural and smaller counties.

In making recommendations for 2014, I would suggest the following:

1. Guilford needs to be restored to its traditional Metro status

With a non-Metro status it becomes virtually impossible for Guilford, Greensboro, High Point and Jamestown to effectively compete since two-thirds of their competitors are receiving supplemental 20% and 30% state tax credits plus expanded amounts of RPP funding from the agency. The answer to this is not to eliminate the added subsidies for poorer counties, but rather to move Guilford back to its historic Metro status. Guilford deserves a level playing field. To best address this, it needs to be renamed a Metro county and the state's Metro allocation needs to be expanded to reflect Guilford's large 500,879 population addition. To help insure that Guilford achieves parity within the Metro category, a provision should be added ensuring that it receive at least 20% of the state's Metro allocation in the future.

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2. Improve the grading system for sites

For many years and through 2012, the agency awarded its highest site scores to properties lying within one-half mile of supermarkets, pharmacies and other commercial services. In 2013 the agency changed its one-half mile rule and permitted top scores to sites falling within a one mile range of commercial activity. With this change, I believe NCHFA has hurt properties designed to serve seniors, handicapped and other transit-dependent households. While one mile is a reasonable distance for obtaining a good site score, properties that fall within a half-mile range should nonetheless be awarded a higher number of points. Appraisers, financiers, owners and lease holders have always attached a premium value where properties enjoy a close proximity to needed services. More importantly we all need to provide our residents with the best possible sites to meet their individual needs and the agency's scoring system should reflect that effort.

3. Limiting counties number of new construction projects

Limiting the number of the new construction projects per county to one is arbitrary. County populations vary dramatically, (20,861 to 500,879 just in the Central Region) and project sizes can also be radically different. In the 2013 cycle, property sizes ranged from 36 to 180. In making allocations to the various counties and markets throughout the state, all credits being awarded should be taken into account and no county or market area should be eligible to receive credits which greatly exceed that county's relative population size.

If resource limitations need to be imposed by the agency, it should be done by limiting the number of dwellings or the amount of federal credits per county or market area. The single project rule was particularly devastating to Guilford County where 6 applications were submitted representing, High Point, Greensboro and Jamestown. Two or three of these high ranking properties could have easily been approved without consuming a disproportionate amount of the state's credits. Jamestown was also blocked for the third year in a row from credit participation even though it has applied with great sites, very experienced development teams, outstanding designs and a very strong market.

In spite of the vast resources and multiple properties being awarded to the other areas, only one property could be approved in Guilford despite its unmistakably larger population. Limiting the resources granted to a given county by the volume of credits or dwellings would offer a far more equitable geographic sharing. In drafting

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your QAP for 2014, a make-up provision should also be considered where a major population center like Greensboro and Guilford have been by-passed due to the adoption of the one project rule.

In looking ahead in 2014, it is most important that Guilford's disadvantaged competitive position be corrected. Toward that end, I remain hopeful that the ideas and suggestions embraced in this letter can help in your efforts to develop a better and fairer QAP.

Cordially,

A handwritten signature in black ink that reads "George E. Carr III". The signature is written in a cursive style with a prominent "G" and "C".

George E. Carr III

Cc: GEC file  
Mayor Robbie Perkins  
Representative John Faircloth  
Senator Trudy Wade  
Andrew Scott  
Cynthia Blue  
David Levy  
Jason Cannon  
Tina Akers-Brown  
James Cox  
Maida Renson  
John Kavanagh  
Mark Davidson  
Patrick Theismann