



**CITY OF DURHAM**

Office of the Mayor

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August 29, 2013

Mr. Robert Kucab  
Executive Director  
North Carolina Housing Finance Agency  
3508 Bush Street  
Raleigh, NC 27609

**Re: 2014 Qualified Allocation Plan (QAP)**

Dear Mr. Kucab:

The City of Durham is appreciative of the past opportunities we have had to partner with NCHFA in the creation of affordable housing and the revitalization of our neighborhoods. However, we are very disappointed with the results of the 2013 tax credit award process in that the Whitted School project, a landmark within the Southside revitalization area, was not awarded tax credits. As we look to 2014 and beyond, we believe that substantial changes in the QAP are needed to restore the voice of local government in influencing the selection of projects to be awarded credits and to improve the geographic balance of affordable housing within the state.

Our comments are provided on an overall basis with additional comments specific to the "Redevelopment" category.

**Overall**

1. Restore Durham, Buncombe, Cumberland, Forsyth and Guilford Counties to the Metro region with no per county tax credit cap.

Rationale: We do recognize that Mecklenburg and Wake have significantly greater populations. However, by being placed in the Central region in the 2013 QAP, Durham and other former Metro counties were in competition with some counties that were primarily rural with populations of less than 50,000.

2. Restore scoring points for mortgage subsidies.  
Rationale: Local governments should have a voice in determining which projects are awarded credits. Such mortgage subsidies are often a part of a strategic resource allocation process designed to address local plans and priorities.
3. Add points for projects located in counties which have been underserved on a per capita basis based on the cumulative number of projects awarded credits since 2008.  
Rationale: Affordable housing is a long term resource and the distribution of tax credits for affordable housing creation should take geographic balance on a cumulative basis into consideration. For the period 2008-2013, 20 projects were awarded credits in Wake County and 13 were awarded credits in Mecklenburg County. During that same period, only 3 projects each in Durham and Forsyth Counties were awarded credits.
4. Eliminate the two-projects per County minimum in the Metro category.  
Rationale: This would allow for an increased number of awards to those Metro counties which have been historically underserved.

### **Redevelopment Category**

1. Increase the minimum number of redevelopment projects funded in the state from two to four.  
Rationale: Large redevelopment projects such as Durham's Southside revitalization project and Choice Neighborhood projects frequently carry with them HUD-mandated timelines for the completion of milestones and overall project completion. When CDBG funds are invested for site prep and infrastructure improvements for a LIHTC project, there must be a reliable projection of the timeframe for the award of LIHTC and occupancy of the project by LMI beneficiaries.
2. Require that the community revitalization plan must have been approved by either the local unit of government or HUD and that the minimum of funding committed to the implementation of the plan is \$2.0 million.

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Rationale: Awards made under the redevelopment category should be limited to those projects which are components of a larger vision and plan. The category should not be a back door way for adaptive re-use projects which are essentially stand-alone initiatives.

3. Add points for mortgage subsidies.

Rationale: Projects awarded credits in the redevelopment category should be true public/private partnerships as evidenced by such local financial participation.

4. Add points for site donation.

Rationale: Site donation in redevelopment projects is often required for financial feasibility and is further evidence of a public/private partnership.

We greatly appreciate this opportunity to provide comments on the 2014 QAP and we hope that our recommendations will be given every possible consideration.

Sincerely,

William V. "Bill" Bell  
Mayor

