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From: Tammie Hoy [REDACTED]
Sent: Monday, September 13, 2021 1:52 PM
To: TaxCreditQuestions
Cc: Jennifer Derryberry; Paul Schmitt; Tammie Hoy
Subject: [External] QAP Comments - Leverage Lender and Points

Dear State Housing Partners,

I am excited to submit a few comments on the latest QAP. As a local nonprofit funding partner and statewide Community Development Financial Institution (CDFI), we receive and re-lend (public and private) financing to support affordable housing development and preservation to nonprofit and for-profit developers some of which includes LIHTC and 4% Bond deals. We also manage several local government housing funds that could benefit these projects.

Currently the way the leverage points are written do not squarely fit the housing fund or CDFI models since it is very rare that we would be able to provide grant or 1% money to a developments for 20 years etc. especially which also does not align with LIHTC program which is 15 years and our cost of funds is usually more than 1%.

Although we do believe local leverage and incentivizing developers to seek additional funding partners outside of state resources, we would like an opportunity to work with State Housing staff on how best developers can work with CDFIs and housing funds like CommunityWorks. We'd like to balance the ability to meet the goals of State Housing leverage points as well as aligning the correct financing structure that supports the deal and the CDFI.

We agree non-authority funding can help projects and also should be prioritized we would just love to talk through what products make the most sense to enable us and other local funders to be valuable financing partners in getting deals to the finish line.

Is it possible to have a follow up discussion with the State Housing Team to discuss further?

Thank you for your time and consideration.

Tammie

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