

From: [Granvel Tate](#)
To: [TaxCreditQuestions](#)
Cc: [Kenneth Crawford](#); [David Garcia](#); [Karen McPherson](#)
Subject: 2021 QAP comments
Date: Tuesday, November 10, 2020 3:15:23 PM

Good afternoon:

Please see our comments to the 2021 QAP draft. Thank you for your consideration.

Comments to QAP 2021 Draft:

Section IV. C:

Please add back in the language/category for special needs populations

Section V.K.2.e:

Please remove the first bullet in this section as it renders sites within 50 feet of a 100 year or 500 year flood zone disqualified. This will disqualify hundreds of acres of buildable areas in coastal communities in the state. Adding a section that states that developments built within a 100 or 500 year flood zone must carry flood insurance and meet the flood mitigation guidelines of the municipality and as required by the lender and/or syndicator should suffice as would adding back the counties that are exempt from this requirement.

Section V.K.3.a:

Please modify the language to read that the distance should be measured in driving distance for the distance between properties.

Section V.S.7:

Annual operating expenses have been reduced by \$500 per unit but insurance costs are increasing. Please increase the maximum amount of opex to \$6000 per unit or provide the opportunity for a waiver of this requirement based on the location of the deal, insurance costs, and/or resident population served.

Section VII.

Mandatory Design Criteria: This entire section was struck. Can a Bond developer still request waivers from the mandatory design criteria?

Comments to Supplemental Proposal published 11/6/2020:

1. Targeting Requirements: Three bedroom unit requirements should not apply to special needs populations in family developments
2. Financial underwriting: Developer fee should remain at \$3mm or 15% of total development costs less land, consulting fees, etc. Reducing the developer fee to \$2mm or 10% of development costs for the amount of risk incurred on a bond deal lowers the incentive for the developer to take the risk and provide more needed affordable housing.
3. Annual operating expenses: Operating expenses for bond deals should be allowed to be higher than the \$4,700 per unit max. Insurers across the country are increasing premiums on multifamily policies and the combination of higher premiums and higher real estate taxes in coastal and urban areas will make development infeasible at \$4,700 per unit max opex.

Please increase the max opex per unit amount to \$6,000 per unit or provide the opportunity for a waiver to accommodate market conditions for insurance in coastal areas and real estate tax differences in urban areas.

Thank you.

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