

Johnson, Leanne 6-9248

From: Nicholson, Laura 6-9190
Sent: Monday, October 17, 2016 4:00 PM
To: Johnson, Leanne 6-9248
Subject: FW: Comment on QAP

Please post on the 2017 tax credit webpage for QAP comments. Thanks,



Laura Nicholson, Development Director
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From: Drew Schaumber [<mailto:drew@schaumberdevelopment.com>]
Sent: Monday, October 17, 2016 2:14 PM
To: Nicholson, Laura 6-9190
Subject: Comment on QAP

Laura,

Threshold Participation Criteria item #2 Previous Years Development Completion Status has become a very challenging date to meet due to the increase in time jurisdictions are taking to approve plans and issue building permits. In general the issue is more so in populated areas where cities and counties are seeing historically high permit submissions, but I imagine the issue is statewide.

It is an extremely difficult process to close a construction loan without building permits. Developers do not engage architects and engineers until a reservation is received in August. While the developer may control the timeframe to submit the plans, after submission, the process is out of the developer's control. Until the overall economy slows down, the backlog of new construction permits will continue to be historically high and receiving building permits by February will continue to be a serious challenge.

If the authority is concerned that a developer is not moving a project along and therefore does not want to award that developer a new deal, then I would request changing the date from February until July or August. If a developer has not closed the construction loan or purchased the land, then the authority will not give that developer a new reservation or award. Making this change would prevent a non-performing developer from continuing to tie up credits, but it would not penalize a developer for working within a challenging market who may need 60 more days to close and start a project.

Appreciate your consideration,

Drew

Drew Schaumber
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