Johnson, Leanne 6-9248

From:	Nicholson, Laura 6-9190
Sent:	Tuesday, September 20, 2016 3:43 PM
To:	Johnson, Leanne 6-9248
Subject:	FW: 2017 qap comments

Please post on 2017 tax credit comments page. Thanks,

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From: Jim Sari [mailto:jim@sariandcompany.biz]
Sent: Tuesday, September 20, 2016 3:35 PM
To: Nicholson, Laura 6-9190
Subject: 2017 qap comments

son sam attended the event & brought me back some notes. comments are as follows:

1) leave the scoring exactly the same - it takes 1 - 3 cycles to find a high scoring site (based on parameters that the state determined needed to be rewarded). then you have to engage the locals & get thei sign off. too many states change this entirely to frequently & basically overturn the apple cart - this causes deals to be thrown together more quickly without the benefit of local input & invariably problems arise. i think this category shoud run on 3-4 year cycles, providing adequate time for projects to be expertly designed & accepted by the communities.

2) proximity to railroads need to be mitigated not outright abolished. that makes no sense. most small towns have tracks that will disqualify numerous sites, including practically all old mill sites, sites which the state legislature have incented with mill credits (even for new construction!) to be redeveloped. this disqualification of sites which can easily be mitigated (even HUD allows this thru use of the noise book (halloween book) as do all lenders & equity providers. the reg is fine as is - if you are within x amount of feet from the rail line & noise exceeds x decibels according to the hud book, you must mitigate. i do this in a dozen states - all provide for mitigation vs outright denial. this is a major step backwards & inconsistent with the financial providers parameters & legislative intent for redevelopement.

3) market advantage should remain the same - what is the difference between 25 & 35% advantage? all you are gonna do is poach your own exisiting projects that had a 25% or below advantage by giving more credit and hence advantage to the newer, nicer projects? say hello to occupancy issues at all lihtc projects that were built 4+ years ago. if anything the newer projects should have less of an advantage to offset their newness.

4) rehab cap - who spends 120k per unit on lipstick deals? carpet, cabinents & countertops dont cost 100k, that cap should be half of that.

5) need to reward use of state historic or mill credits vs requiring both federal & state components. the goal here is to incent historic preservation (as mandated federally) but to also recognize the value of other subsidies in bringing down the overall "cost" to the agency. if a person has fed & state historics, they start 30% ahead of the field & use effectively 30% less of the agency resources than a straight new construction deal. that should be rewarded. suggestion is increase category value to 2 pts for both & 1 point for state only (20% value vs 30-35%) or just take what you have & award 1 for fed & state & 1/2 for state only. the state legislature wants this. this an opportunity to layer financing and increase agency reach by leveraging its resources further (you know i really think it should be 20 points but im trying to moderate as i get older..)

6) reward local participation - see above. it gets local buy in, it saves the agency $, etc etc - no brainer. most states do it. make it meaningful point wise.

thank you

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