From:	Brennan Mahoney ███████████████████████
Sent:	Tuesday, July 2, 2024 2:54 PM
To:	TaxCreditQuestions
Subject:	[External] 2025 QAP Comments

Good Afternoon,

I appreciate the Agency putting on the Developer Round Table and giving us the opportunity to submit our view from the developer side of the industry. My comments are below.

- Credit/Unit limits - $2,500,000 credits for one 9% project is too large and allows a few projects to eat up most of the credits. Others recommended decreasing the maximum unit count from 100 to 70. This is also a viable option, however, decreasing the credit cap to $1,500,000 would put an artificial unit cap on the developments as it would be hard to fund anything beyond $70 units unless an additional source of funds was used to get to the 100 units (this still leaves the ability to get a larger development if needed). This would also allow developers to get to their maximum credit limit sooner and better utilize the STC.
- Basis boost, the state Basis Boost should be limited to 10% for the same reasons mentioned above.
- The General New Construction set aside should be limited to 1 award per county.
- Developer Limits should be limited to 1 award. It would be great to see more awards get made every year and spread out among more developers.
- State Tax Credits should be better utilized to help stretch the federal credit further. The way Georgia uses their STC is a good example where it is a required funding source for every application. This allows more developments to be funded and get into smaller rural communities that get left on the outside every year.
- CCRP section should be easier to understand. A lot of work must be done putting together 100s of pages for a point section that is very subjective. It should be clearer what gets points and what does not.
- If the same calculation method of credits will be used, I would like to see it put into the application with all formulas included, Georgia does this, and it removes any confusion on how to calculate credits. Based on the list of 9%applications submitted this year it looks like there are some very large STC request that don't seem to line up with a developer requesting maximum federal credits as the QAP states.
- Some recommended targeting an average credit per unit as a scoring criteria similar to what North Carolina used to do. We found this to not be beneficial as developers played games with their construction numbers and development cost at application to help get an award. Unless the agency is taking the time to ensure all numbers are accurate it promotes developers to use numbers that get them an award, not numbers that are realistic and feasible.

Thank You,
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