

Larc Properties, Inc.

12.9.20

Recommendations for the 2022 QAP:

Thank you for the opportunity to give recommendations for the 2022 QAP. On behalf of Larc Properties, I am requesting that MSHDA consider returning the Preservation Category back to 25% and consider ADDING points specifically for 9% preservation projects. The number of aging affordable housing units is substantial and with MSHDA GAP funding being continually tapped out, there is not enough funding available to preserve existing affordable housing. Georgia, for example, is one state that strongly supports preservation within its QAP and has actually INCREASED scoring for Preservation projects under their QAP including points for properties exhibiting high occupancy rates, points for properties placed in service more than 20 years ago and points for existing tax credit properties at risk of losing affordability restrictions.

Preservation is a key component to ensure an adequate supply of affordable rental housing, advance sustainability, and retain historic structures through adaptive reuse. Most importantly, preservation is a vital tool for maintaining affordability through the retention of federal rental assistance. In addition, preservation allows states to mitigate the risk of losing affordable housing projects due to market conversion, physical deterioration, or financial instability. Regarding sustainability, renovating existing buildings produces less construction waste, uses fewer new materials, and requires less energy than new construction. Further, little to no new utility or transportation infrastructure investments are required when existing buildings are rehabbed. Combined with energy efficient upgrades, rehabbing and preserving both aging rental and historic buildings is a conservative, cost effective way to meet growing demand for quality affordable housing.

We also recommend that MSHDA expand the proximity distances for Preservation projects for points related to Downtowns/Corridors, Employment Centers and Amenities. While these are acceptable targets for new construction, Preservation projects do not have the ability to necessarily be located within the required distances. They are where they are. The points for proximity to transportation (which we are not opposed to) will ensure that residents HAVE access to these areas and amenities.

Finally, while we do recognize the need for a single credit round in 2021, we hope that MSHDA will return to two housing rounds in 2022 and we would strongly support same.

Again thank you for the opportunity to submit recommendations for the 2022 QAP. We continue to appreciate MSHDA's willingness to accept comments and give them consideration.