From: Britni Grimes
To: Taxcreditquestions
Subject: Tapestry Developmtn Group 2027 QAP Comments
Date: Friday, November 6, 2026 3:34:56 PM

Kim,

Thank you for the opportunity to provide comments to the 2027 draft QAP. Please find Tapestry Development Group's comments and questions below:

Appendix C1 – 9% LIHTC and Appendix C2 – 4% TEB

Amenities

- Consider revising the definition of Retail to allow hair salons, barber shops, and nail salons as retail. They are usually in strip shopping centers and are used regularly. You may limit one of the four qualifying businesses to one of these types of businesses to ensure a diversity of retail.

Noncompliance

- Consider removing the Noncompliance points from scoring for both the 9% LIHTC and 4% TEB applications.
- If the Noncompliance section is kept, for both TEB and 9% LIHTC applications, please redefine this section as follows:
    - Clarify the lookback period with respect to uncorrected outstanding Form 8823.
    - Clarify that the uncorrected outstanding Form 8823 as of December 31, 2026, only applies if it is past the allowable cure period set by the compliance department. As currently written, properties which are inspected late in the year and receive 8823s would automatically receive negative points.
    - Remove "management entity" as these are 3rd party companies or redefine to state that the management entity's compliance is required with respect to properties it manages for the developer rather than all properties it manages. An applicant cannot control the decisions of other ownership entities and should not be punished as a result of those decisions.
    - Consider also excluding Acts of God, such as fires, floods, or other items that require longer repair times and do not reflect the ownership entity and/or management company's performance.

Appendix C1 – 9% LIHTC

- Due to increasing construction costs, increasing interest rates and decreasing credit pricing, consider increasing Award Limitations for federal tax credits to:

- Urban $1,650,000
  - Suburban $1,550,000
  - Rural $1,450,000

Appendix C2 – 4% TEB

- Could you elaborate on how the new 4% tax exempt bond scoring language in Appendix C2 will interact with Appendix C3 – State LIHTC? Will the 4% scoring be completed to rank projects and then the State LIHTC ranking criteria be used effectively as a tiebreaker for the lowest ranking 4% deals when there are more State LIHTC requested than available? Is this also how the 9% scoring is treated? Better clarity will help developers choose competitive projects more effectively.

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General

- Consider re-instating the statewide 130% basis boost to help projects address increasing construction costs, increasing interest rates, and decreasing equity pricing.

Thank you,

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